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PROCEEDINGS
OF THE
FORTY-FIRST ANNUAL MEETING
OF THE
NATIONAL
BOARD OF TRADE

HELD IN WASHINGTON

JANUARY, 1911



PHILADELPHIA
JOHN R. MCFETRIDGE & SONS, PRINTERS, 927 ARCH STREET
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INTRODUCTORY NOTE.

The Business Men's Monetary Conference on January 18th, held under the auspices of the National Board of Trade, in connection with its Forty-first Annual Meeting, was an innovation to the extent that the entire day was devoted to the consideration of our monetary problem; and on the invitation of our President the representatives of a number of commercial organizations, not constituent members of the National Board of Trade, participated in the conference.

The Chairman of the meeting was Hon. C. Stuart Patterson, of Philadelphia, who was the Chairman of the Monetary Commission of 1897, and whose activity contributed much to create public opinion favorable to the enactment of the gold standard law of 1900.

The Monetary Conference was addressed by some of the leading financial experts of the country, among them were Hon. A. Piatt Andrew, Assistant Secretary of the Treasury; Hon. E. B. Vreeland, Vice-Chairman of the National Monetary Commission; Mr. Paul Warburg, of New York, and others.

The banquet in the evening was a most enjoyable occasion, and as Toastmaster, President LA LANNE was at his best. Responses were made by Ambassador James Bryce, Secretary of the Treasury MacVeagh, Hon. John W. Weeks, a member of the National Monetary Commission; Hon. J. Hampton Moore and Hon. Wilbur J. Carr, of the Department of State.

At the request of the National Board of Trade, the National Monetary Commission sent two complete sets of its publications to each one of 125 commercial organizations in 102 cities, located in thirty-two States of the Union and the District of Columbia. These publications consist of some forty documents; their voluminous character would naturally discourage the average business man from undertaking a thorough examination of them. For this reason, with the approval of representatives of the Monetary Commission, the announcement was made that a summary of each document would

be prepared and printed in one volume. There was a great demand for the summary, and it is hoped that the commission will soon issue a document containing the salient features of the various banking and currency systems of the world.

It was expected that the Monetary Commission would make a preliminary report at the opening session of Congress last December, so that the business organizations would in the meantime have at least a tentative plan to consider. This, in a measure, accounts for the small number of resolutions from commercial organizations, as few of them were prepared to express an opinion regarding the improvement of our banking and currency system, based upon such study as they had given the subject; but sufficient interest was shown in the summary and a report from the commission to indicate that a large number would have presented their views if a plan or suggestion had come from some responsible source in time for careful consideration.

While the Monetary Conference was in session, the "Suggested Plan for Monetary Legislation," submitted to the National Monetary Commission by Hon. Nelson W. Aldrich, was made public, in which Mr. Aldrich said: "It will furnish to the commercial organizations of the country, who are now considering this subject, a basis for criticism and discussion."

The resolutions adopted at the Business Men's Monetary Conference appear in full in another part of this report, and provide for the appointment of a committee to co-operate with this and other organizations in furtherance of the work inaugurated by the National Board of Trade among the commercial organizations of the country.

A number of the leading journals of the country, as well as the leading members of the National Monetary Commission, have commended President LA LANNE for his activity in this attempt to arouse the interest of the business men of the country in an intelligent study of the banking and currency question. The National Board of Trade deserves the support of every commercial organization in the United States in this attempt to carry on a constructive work of the first importance to our financial and commercial interests.

The National City Bank of New York, in its March circular says: "The Sixty-first Congress accomplished more legislation of importance to commercial and financial interests than has been enacted by any Congress in a good many years." Particular reference is made

to the following: Enabling the Secretary of the Treasury to issue Panama bonds authorized under the law of 1909 without the circulation privilege; authorizing the issue of gold certificates against the deposit of gold bullion and foreign coin; and authorizing the payment of customs and internal revenue by certified check on Government depositories.

From 1905 to 1911, at every annual meeting, the National Board of Trade had earnestly recommended the enactment of a law similar to the Weeks Bill for the establishment of National forests in the Appalachian and White Mountains. The Weeks Bill passed the House of Representatives during the second session of the Sixty-first Congress, and on February 15, 1911, passed the Senate by the significant vote of 57 to 9, although the bill was fought on the floor of the Senate by its opponents with great persistence.

For several days prior to the close of the Sixty-first Congress, both Houses were the scenes of unusual turbulence, and day and night sessions were attended with periods of bad temper and filibustering, preventing the passage of Canadian reciprocity in the Senate, and the passage in the House of the bill to create a permanent Tariff Commission.

The Gallinger Ocean Mail Bill, in which the National Board of Trade was deeply interested, failed of passage in the House. The commercial interests of the country must now await the action of a future Congress for this or some other means of better mail and transportation facilities to increase our foreign trade.

President Taft has called an extra session of the Sixty-second Congress to convene April 4, 1911. The business sentiment of the country appears strongly in favor of the new Congress acting upon the Canadian Reciprocity Bill, creating a permanent Tariff Board and allowing the business of the country to rest until the regular session in December, 1911.

An unusual effort will be made during the coming year to increase the influence of the National body by urging upon local commercial organizations greater activity regarding National policies affecting our trade and commerce. A special committee has been appointed to consider ways and means of extending the influence of the National Board of Trade, and its report is awaited with much interest.

The officers who served so well during 1910 were all unanimously re-elected to their respective positions with one exception. Mr. Wm.

R. TUCKER, who has served the Board so faithfully and ably as its Secretary and Treasurer for the past sixteen years, declined re-election as Secretary in consequence of other pressing duties. Mr. TUCKER was, however, unanimously chosen to serve as Treasurer for the ensuing year. President LA LAMNE reappointed the Board of Managers for the year 1911. Mr. A. T. ANDERSON was elected Secretary, and immediately after the adjournment of the annual meeting opened permanent headquarters for the National Board of Trade in the Maryland Building, 1410 H street, Northwest, Washington, D. C.

A. T. A.

CONSTITUTION
OF THE
NATIONAL BOARD OF TRADE
ADOPTED AT PHILADELPHIA, JUNE 5, 1868
AND
AS AMENDED AT THE
THIRTY-THIRD AND THIRTY-FIFTH
ANNUAL MEETINGS
HELD IN
WASHINGTON, D. C., JANUARY, 1903 AND 1905

DECLARATION.

In order to promote the efficiency and extend the usefulness of the various Boards of Trade, Chambers of Commerce and other chartered bodies organized for general commercial purposes in the United States; in order to secure unity and harmony of action in reference to commercial usages, customs and laws, and especially in order to secure the proper consideration of questions pertaining to the financial, commercial and industrial interests of the country at large, this association, on this 5th day of June, 1868, is hereby formed by delegates now in session in the city of Philadelphia representing the following-named commercial organizations, to wit:—

Albany Board of Trade,	Denver Board of Trade,
Baltimore Board of Trade,	Detroit Board of Trade,
Boston Board of Trade,	Dubuque Produce Exchange,
Boston Corn Exchange,	Louisville Board of Trade,
Buffalo Board of Trade,	Milwaukee Chamber of Commerce,
Charleston Board of Trade,	Newark Board of Trade,
Chicago Board of Trade,	New Orleans Chamber of Com-
Cincinnati Chamber of Commerce,	merce,
Cleveland Board of Trade,	New York Chamber of Commerce,

New York Produce Exchange,	Richmond Chamber of Commerce,
Oswego Board of Trade,	St. Louis Board of Trade,
Peoria Merchants' Exchange,	St. Louis Union Merchants' Ex-
Philadelphia Board of Trade,	change,
Philadelphia Comm'rc'l Exchange,	St. Paul Chamber of Commerce,
Pittsburg Board of Trade,	Toledo Board of Trade,
Portland Board of Trade,	Troy Board of Trade,
Providence Board of Trade,	Wilmington (Del.) Board of Trade.

REVISION, JANUARY 13, 1903.

This association is formed for the purpose of promoting the efficiency and extending the usefulness of the various commercial and manufacturing organizations of the United States of America, securing unity and harmony of action with reference to business usages and laws, and especially the proper consideration of and concentration of opinion upon questions affecting the financial, commercial and industrial interests of the country at large, and to provide a concerted action regarding national legislative measures and governmental department affairs.

ARTICLE I.

NAME.

SECTION 1. This association shall be known and designated as the National Board of Trade.

ARTICLE II.

MEMBERSHIP.

SECTION 1. There shall be two classes of members, constituent and associate.

SEC. 2. Every commercial or manufacturing association or other body organized for general benefit in matters of public concern, and not for private purposes, shall be eligible to constituent membership in the association.

SEC. 3. Any business or professional man who is an American citizen, interested in the purposes of the National Board of Trade and who may be deemed worthy of such consideration, may be admitted to associate membership upon invitation of and election by the Board of Managers. Such associate membership shall confer the right to receive all of the publications of the Board (but shall not have the right to vote or participate in debate) and to suggest, with the approval of the Board of Managers, subjects for consideration at the annual meeting of this Board; provided, that such subjects shall be general in their character and of national significance.

SEC. 4. Every applicant for membership in this association shall present an application, accepting and agreeing to abide by the provisions of this Constitution and the By-Laws or any amendments thereto, which application shall be submitted to and acted upon by the Board of Managers, hereinafter provided for, at its first meeting subsequent to the date thereof. If the said application shall be approved by the Board of Managers the applicant becomes a member from the date of such approval and shall be promptly notified of the fact.

SEC. 5. Membership in this association shall be subject to termination or suspension as hereinafter provided.

ARTICLE III.

REPRESENTATION.

SECTION 1. Each member of this association in good standing shall be entitled to the following representation and vote at all conventions: A member having fifty constituent members, with right to vote therein, shall be entitled to one delegate representative and vote; having one hundred such members, two delegates and votes; having an excess of one hundred members, one additional delegate and vote for each full two hundred members of such excess; provided, that no association shall be entitled to more than sixteen delegates or votes. No member of this association shall be considered to be in good standing unless its dues shall have been paid in full to date.

SEC. 2. Delegates, who shall be active members of not less than one year's standing in the association which they represent, shall be selected by said association in such manner and for such term, of not less than one year, as it may elect. They shall be required to present at each convention of this association credentials properly executed by their association, and such credentials, further, shall certify the number of the association's members entitled to vote at that time. Duplicate of such credentials shall be mailed to the Secretary of this association at least fifteen days prior to a convention. Substitute delegates may be recognized and seated upon presentation of proper credentials, but "proxies" issued by delegates shall not be recognized.

ARTICLE IV.

DUES.

SECTION 1. The annual dues of each constituent member of this association shall be payable to the Secretary on or before the first day of January of each year, as follows: Each constituent body having 100 or less active members shall pay the sum of \$20; each constituent body having an excess of 100 active members shall pay in addition thereto \$5 for each 50 or major fraction thereof of such excess; provided, that no constituent body shall be required to pay a greater sum than \$300. Each

associate member shall pay dues in such an amount as may be determined by the Board of Managers, but shall not exceed \$20, payable on or before the first day of January of each year.

SEC. 2. If any member of this association shall fail or refuse to pay annual dues within a period of sixty days after the same are due and payable, the membership of such member shall then stand suspended and may be terminated. The Board of Managers may, however, in its discretion and upon such terms as it deems proper, subject to the provisions of this Constitution, restore such suspended member to good standing. All suspended memberships shall be finally terminated at the expiration of one year from the date of suspension.

ARTICLE V.

OFFICERS.

SECTION 1. The elective officers of this association shall be:—

A President,

A First Vice-President,

A Second Vice-President,

A Treasurer,

who shall be elected by ballot at each annual convention for a term of one year, commencing with the adjournment of said convention, and who shall serve until their successors are elected and installed. A majority of the votes cast shall elect.

SEC. 2. The President shall preside at all conventions of the association; he shall be a member of the Council and of the Board of Managers, hereinafter provided for, and act as chairman of both; he shall perform such other duties as are usual for such officer.

SEC. 3. The Vice-Presidents shall, in respective order, perform the duties of the President in the event of his death, disability or absence.

SEC. 4. The Treasurer shall receive all moneys paid to the association and shall disburse moneys only upon written orders signed by the Secretary and countersigned by the President, which shall be his only vouchers for disbursements; he shall carefully account for all transactions of his office and make full report of the same to the annual convention, or at any time upon demand of the President; he shall furnish good and sufficient bond in such sum and with such sureties as may be required by the Council before entering upon the discharge of his office.

ARTICLE VI.

MANAGEMENT.

SECTION 1. The direction of the affairs of this association shall be vested in a Council, acting through the Board of Managers, as hereinafter set forth.

SEC. 2. The Council shall be constituted as follows: There shall be as many members of the Council as there are constituent bodies in the association. Each constituent body in the association shall be entitled to one member of the Council, who shall be elected at each annual convention, for a term of one year, commencing with his election. The nomination of the member of the Council for each constituent body shall be made by its delegation at the annual convention, but in the absence of such nomination or failure of a constituent body to designate its choice for the office, the convention shall nominate and elect. Vacancies in the Council shall be filled by appointment by the President, who shall first request nomination for the vacancies from the constituent body affected.

SEC. 3. The Council shall meet upon the call of the President and organize for the ensuing fiscal year. It shall also meet the day prior to each convention and at such other times and places as in its judgment may seem best, and may be convened in special session upon call of the President or by demand of one-third of its members. Notice of all meetings of the Council, excepting the meetings immediately preceding and following its election, shall be mailed to each member at least twenty days in advance thereof and shall state the business to be considered. At all meetings of the Council the presence of five of its members shall constitute a quorum.

SEC. 4. The Council shall determine the general scope and direction of the work of the association and instruct the Board of Managers.

ARTICLE VII.

BOARD OF MANAGERS.

SECTION 1. The President, upon assuming his office, shall, subject to the confirmation by the Council, appoint a Board of Managers, which shall be constituted as follows: The President, the First Vice-President, the Second Vice-President and six representatives of members of the association. Vacancies in the Board of Managers shall be filled by the President in the manner of original selection.

SEC. 2. The Board of Managers shall have immediate supervision of the affairs of the association; it shall actively endeavor to prosecute its objects and comply with the instructions of the Council. The Board of Managers shall have direction of the disbursement of the funds of the association. It may adopt such rules and regulations for the conduct of its business as shall be deemed advisable, and may, in the execution of the powers granted, appoint such agents as it may require or deem necessary.

SEC. 3. The Board of Managers shall meet and organize as soon as practicable after appointment and confirmation of its members. It shall further meet upon call of the President at such times and places

as may be designated, and shall be called to meet upon the demand of the majority of its members. Notice of all special meetings of the Board of Managers shall be mailed to each member at least ten days in advance of such meeting. The presence of five members of said Board of Managers shall constitute a quorum.

SEC. 4. The Board of Managers shall cause to be kept a full and complete record of all its proceedings, which shall be open to the inspection of the members at any time, and it shall render a detailed report of its transactions annually or oftener, if so required, to the Council. It shall make a report and offer its recommendations to each annual convention of the association.

SEC. 5. The Board of Managers shall appoint a Secretary of this association and fix the compensation for his services. It shall be the duty of such Secretary to receive all moneys that may be paid to him by virtue of his office, carefully account for the same and promptly cover them into the treasury, taking the Treasurer's official receipt therefor; to keep a complete and accurate record of all proceedings of the association, as well as of its Council and Board of Managers; he shall have possession of its records and archives, attend to the proper publication of all reports, conduct the official correspondence, attest documents and perform such other duties as are usual for such official or as may be required of him by the Board of Managers.

SEC. 6. The Board of Managers shall appoint a Commissioner of this association and fix the compensation for his services. It shall be the duty of such Commissioner to maintain headquarters and his residence at the National Capital, devoting his time and efforts to promoting the objects of this association and extending its membership and influence. He shall endeavor to keep in close touch with national legislative and departmental affairs, keeping the membership of the association posted regarding matters of interest, and in all things complying with the directions of the President and Board of Managers.

ARTICLE VIII.

MEETINGS.

SECTION 1. The regular annual conventions of this association shall be held at such time and place as shall be determined by the Council. Special meetings may be called by the Council. Notice of all meetings shall be mailed by the Secretary of this association to the Secretary of each constituent association at least thirty days prior to the date for assembling. In case of special meeting, such notice shall state the object of the meeting and subjects to be considered.

SEC. 2. At all conventions of this association the presence of delegates from a majority of the constituent members thereof shall constitute a quorum.

ARTICLE IX.

COMMITTEES.

SECTION 1. The President, as soon as practicable after assuming the duties of his office, shall appoint, from the list of representatives, the following committees:—

A Committee on Credentials, to which shall be referred the credentials of all representatives for report and recommendation.

A Committee on Law, to which shall be referred questions of law affecting subjects under consideration.

A Committee on Finance, which shall audit the accounts of the Treasurer and Secretary and to which all subjects affecting the expenditure of moneys shall be referred.

A Committee on Ways and Means, to which shall be referred subjects relating to the means of maintenance of the organization.

And such other committees as in his judgment may be desirable, to whom may be assigned for consideration and report cognate subjects upon the programme to come before the convention.

ARTICLE X.

GENERAL PROVISIONS.

SECTION 1. All subjects considered or acted upon by this association shall be national in character.

SEC. 2. All propositions, resolutions or questions, except those which involve points of order or matters of personal privilege, shall be submitted for action in writing only by the constituent bodies or by the Council; provided, that by consent of two-thirds of the constituent bodies present at a meeting a subject not so presented may be considered. A constituent body desiring to present a subject to a convention of this association shall commit its proposition to writing and forward the same to the Secretary at least forty days prior to the date of the meeting at which it is to be considered.

SEC. 3. A complete programme of all propositions submitted, as provided for in the foregoing section, shall be published by the Secretary and mailed to each constituent body prior to each convention.

SEC. 4. Any constituent body may withdraw from membership by submitting to the Secretary a written resignation, accompanied by remittance in full for all dues to date.

ARTICLE XI.

AMENDMENT.

SECTION 1. This Constitution may be amended or added to at any meeting of the association upon affirmative vote of two-thirds of the delegates present and subject to the provisions of Article X, Sections 2 and 3 thereof.

SEC. 2. The provisions of this Constitution may be suspended for a definite time, except as to the subject of quorum, at any meeting of the association, by unanimous consent of the delegates present and voting.

BY-LAWS.

1. The following shall be the regular order of business at all conventions of this association:—

First. Roll call.

Second. Announcement of committee appointments; receiving report of Committee on Credentials and action thereon.

Third. Reports of officers and Council and reference thereof to committees.

Fourth. Reports of standing and special committees.

Fifth. Election of officers for ensuing year.

Sixth. Consideration of and action upon official programme and reports of committees; general business.

2. Roberts' Rules of Order shall govern deliberations of this association.

3. During conventions of this association no delegates shall speak more than ten minutes upon one question without the leave of the convention, nor longer than twenty minutes without unanimous consent.

4. On all questions before a convention of this association on which a vote is taken *viva voce*, or by division, each duly accredited delegate present shall be entitled to one vote, in person. In all votes by yeas and nays the delegates of each constituent association who are present shall have the right to cast the full number of votes to which their association is entitled, according to its officially reported membership and last payment of dues; all yeas and nays votes shall be fully recorded and published in the proceedings. A call for yeas and nays votes may be ordered only on questions involving action by the association upon propositions of a public character, or such as relate to amendment of the Constitution or By-Laws, and then only upon the demand supported by one-third of the members present; on the question of such demand each constituent body represented shall be entitled to but one vote, which shall be recorded. An affirmative vote of two-thirds shall be necessary to carry the approval of the National Board of Trade upon any proposition or resolution which may appear upon the official programme or be added thereto as provided by the Constitution.

5. In all ballots for the elective officers of this association each constituent body shall cast one ballot, upon which shall be written the name of the association by which it is cast, with the number of votes to which it is entitled and the number of votes or fractions of a vote given to each candidate for the office.

6. These By-Laws may be amended or added to at any convention by a two-thirds affirmative vote of the members present.

MEETINGS

OF THE

NATIONAL BOARD OF TRADE.

1868	June	Philadelphia
1868	December	Cincinnati
1869	December	Richmond
1870	December	Buffalo
1871	December	St. Louis
1872	October	New York
1873	October	Chicago
1874	January	Baltimore
1875	June	Philadelphia
1876	June	New York
1877	August	Milwaukee
1879	December	Washington
1880	December	Washington
1882	January	Washington
1883	January	Washington
1884	January	Washington
1885	January	Washington
1886	January	Washington
1887	January	Washington
1888	January	Washington
1888	November	Chicago
1889	October	Louisville
1890	December	New Orleans
1892	January	Washington
1893	January	Washington
1894	January	Washington

1895	January	Washington
1896	January	Washington
1897	January	Washington
1897	December	Washington
1898	December	Washington
1900	January	Washington
1901	January	Washington
1902	January	Washington
1903	January	Washington
1904	January	Washington
1905	January	Washington
1906	January	Washington
1907	January	Washington
1908	January	Washington
1909	January	Washington
1910	January	Washington
1911	January	Washington

MEMBERSHIP, 1911.

AMERICAN SEED TRADE ASSOCIATION.
AMERICAN WAREHOUSEMEN'S ASSOCIATION.
BALTIMORE BOARD OF TRADE.
BALTIMORE CHAMBER OF COMMERCE.
BAY CITY (MICH.) BOARD OF TRADE.
BOSTON CHAMBER OF COMMERCE.
CENTRAL SUPPLY ASSOCIATION (Chicago).
CHESTER (PA.) BOARD OF TRADE.
CHICAGO BOARD OF TRADE.
CHICAGO OPEN BOARD OF TRADE.
CIGAR MANUFACTURERS' ASSOCIATION OF AMERICA
CLARKSVILLE (TENN.) CHAMBER OF COMMERCE.
CLEVELAND CHAMBER OF COMMERCE.
DECATUR (ALA.) BUSINESS MEN'S LEAGUE.
DOVER (DEL.) BOARD OF TRADE.
GALVESTON CHAMBER OF COMMERCE.
HOBOKEN (N. J.) BOARD OF TRADE.
HONOLULU CHAMBER OF COMMERCE.
ITALIAN CHAMBER OF COMMERCE (New York).
KANSAS CITY (MO.) BOARD OF TRADE.
KEY WEST (FLA.) CHAMBER OF COMMERCE.
KNOXVILLE (TENN.) BOARD OF TRADE.
LOUISVILLE BOARD OF TRADE.
LYNN (MASS.) BOARD OF TRADE.
MILWAUKEE CHAMBER OF COMMERCE.
MINNEAPOLIS COMMERCIAL CLUB.
MOBILE COMMERCIAL CLUB.
MONTGOMERY COMMERCIAL CLUB.
NASHVILLE BOARD OF TRADE.

NASHVILLE GRAIN EXCHANGE.
NASHVILLE LUMBERMEN'S ASSOCIATION.
NATIONAL HARDWARE ASSOCIATION OF THE UNITED STATES.
NATIONAL IRRIGATION ASSOCIATION.
NEWPORT NEWS (VA.) CHAMBER OF COMMERCE.
NEW YORK BOARD OF TRADE AND TRANSPORTATION.
NEW YORK PRODUCE EXCHANGE.
NORFOLK (VA.) BOARD OF TRADE AND BUSINESS MEN'S
ASSOCIATION.
NORTH SIDE (N. Y.) BOARD OF TRADE.
PHILADELPHIA BOARD OF TRADE.
PHILADELPHIA BOURSE.
PHILADELPHIA CHAMBER OF COMMERCE.
PHILADELPHIA COMMERCIAL EXCHANGE.
PHILADELPHIA COMMERCIAL MUSEUM.
PITTSBURG CHAMBER OF COMMERCE.
PROVIDENCE BOARD OF TRADE.
PUERTO RICO CHAMBER OF COMMERCE (Ponce Branch).
SAVANNAH (GA.) BOARD OF TRADE.
SCRANTON BOARD OF TRADE.
TOLEDO PRODUCE EXCHANGE.
WASHINGTON (D. C.) BOARD OF TRADE.
WEST VIRGINIA BOARD OF TRADE.
WILMINGTON BOARD OF TRADE.

ASSOCIATE MEMBERS, 1911.

ACKER, FINLEY, Philadelphia.
ANDERSON, A. T., Cleveland.
BISHOP, K. D., Cleveland.
BRUSH, CHAS. F., Cleveland.
CASHMAN, WM. T., Cleveland.
CASTLE, WM. H., Philadelphia.
COATES, WM. M., Philadelphia.
DAISH, JOHN B., Washington, D. C.
DUNCAN, JR., CO., THE A. R., Cleveland.
EDWARDS & Co., THE WM., Cleveland.
GODLEY, PHILIP, Philadelphia.
GOULDER, H. D., Cleveland.
GUND, GEO. F., Cleveland.
HANNA, L. C., Cleveland.
HARPER, JOHN M., Philadelphia.
HORWOOD, E. H., Hoboken, N. J.
JOHNSON, ALBA B., Philadelphia.
KUNDTZ, THEODOR, Cleveland.
LA LANNE, FRANK D., Philadelphia.
MARVEL, JOSIAH, Wilmington, Del.
MATHER, SAM'L., Cleveland.
MATHER, W. G., Cleveland.
MAY CO., THE, Cleveland.
MITCHELL, JOHN, Cleveland.
PARKER, JAS. F., New York.
ROBINSON, WM. T., Philadelphia.
SULLIVAN, J. J., Cleveland.
SWASEY, AMBROSE, Cleveland.
TREADWAY, LYMAN H., Cleveland.
TUCKER, W. R., Philadelphia.
WELCH, GEO. P., Cleveland.
WOOD, E. R., Philadelphia.

OFFICERS, 1911.

PRESIDENT.

FRANK D. LA LANNE *Philadelphia.*

FIRST VICE-PRESIDENT.

CLINTON WHITE *Boston.*

SECOND VICE-PRESIDENT.

WM. HARRIS DOUGLAS *New York.*

TREASURER.

WM. R. TUCKER *Philadelphia.*

MANAGERS.

ALBERT J. LOGAN *Pittsburg, Pa.*

ALBERT McCULLOUGH *Cincinnati, Ohio.*

WM. D. MULLEN *Wilmington, Del.*

ALBERT M. READ *Washington, D. C.*

GEO. F. STONE *Chicago, Ill.*

J. J. SULLIVAN *Cleveland, Ohio.*

COUNCIL.

American Seed Trade Association, CHARLES H. BRECK.

American Warehousemen's Association, ALBERT M. READ.

Baltimore Board of Trade, JOHN M. NELSON.

Baltimore Chamber of Commerce, LOUIS MULLER.

Boston Chamber of Commerce, FREDERICK P. FISH.

Central Supply Association, GEORGE H. GORTON.

Chester Board of Trade, J. C. TAYLOR.

Chicago Board of Trade, B. FRANK HOWARD.

Chicago Open Board of Trade, CLARENCE G. BOGART.

Cigar Manufacturers' Association of America, A. M. JENKINSON.

Cleveland Chamber of Commerce, A. T. ANDERSON.

Galveston Chamber of Commerce, JENS MOLLER.

Hoboken Board of Trade, EDWARD H. HORWOOD.

Italian Chamber of Commerce, ACHILLE STARACE.

Milwaukee Chamber of Commerce, EDWARD J. FURLONG.

National Hardware Association, T. JAMES FERNLEY.

National Irrigation Association, GEORGE H. MAXWELL.

Newport News Chamber of Commerce, WALTER B. LIVEZEY.

New York Board of Trade and Transportation, G. WALDO SMITH.

New York Produce Exchange, JOHN P. TRUESDELL.

Norfolk Board of Trade and Business Men's Association, WM. T. ANDERSON.

North Side Board of Trade, CHARLES E. REID.

Philadelphia Board of Trade, E. R. WOOD.

Philadelphia Bourse, PHILIP GODLEY.

Philadelphia Chamber of Commerce, FINLEY ACKER.

Philadelphia Commercial Exchange, E. L. ROGERS.

Philadelphia Commercial Museum, WM. S. HARVEY.

Pittsburg Chamber of Commerce, W. H. STEVENSON.

Scranton Board of Trade, F. L. HITCHCOCK.

Washington Board of Trade, A. P. FARDON.

West Virginia Board of Trade, HENRY G. DAVIS.

Wilmington Board of Trade, WM. D. MULLEN.

SECRETARY.

A T. ANDERSON.....*Washington, D. C.*
Maryland Building.

FORTY-FIRST ANNUAL MEETING

OF THE

NATIONAL BOARD OF TRADE

The Forty-first Annual Meeting of the National Board of Trade was held at the New Willard's, in the city of Washington, D. C., on Tuesday, Wednesday and Thursday, January 17, 18 and 19, 1911.

FIRST DAY.

TUESDAY, JANUARY 17, 1911.

The Board met, and was called to order at 12.05 o'clock P. M., the President, Mr. FRANK D. LA LANNE, occupying the Chair, and the Secretary (Mr. WM. R. TUCKER) being at his desk.

ORGANIZATION.

The PRESIDENT.—Gentlemen, we have assembled promptly, but we are not a convention until we have a report from the Committee on Credentials, which the chair will now name:—

Messrs. ALBERT M. READ, of Washington; WALTER B. LIVEZEY, of Newport News, and PHILIP GODLEY, of Philadelphia.

The committee will procure the credentials from the Secretary and report as soon as possible.

The Committee on Credentials, by its chairman, Mr. READ, subsequently reported that thirty organizations are present, represented by one hundred delegates and four alternates.

As subsequently perfected, the list of delegates accredited to the meeting was as follows:—

American Seed Trade Association.

Albert McCullough, Charles H. Breck.

American Warehousemen's Association.

Philip Godley, Albert M. Read.

Baltimore Board of Trade.

E. Stanley Gary, John M. Nelson.
Douglas M. Wylie (Alternate).

Baltimore Chamber of Commerce.

Charles England, Louis Muller,
Robert Ramsay.

Boston Chamber of Commerce.

Henry D. Bennett,	John S. Lawrence,
Harry L. Burrage,	Jas. A. McKibben,
John C. Cobb,	Daniel D. Morss,
Geo. T. Coppins,	Elwyn G. Preston,
John H. Fahey,	Geo. S. Smith,
Edw. A. Filene,	Frederic H. Viaux,
Frederick P. Fish,	Clinton White,
Chas. S. Hamlin,	John G. Wright.

Central Supply Association, Chicago.

Marshall Cushing.

Chester Board of Trade.

J. C. Taylor.

Chicago Board of Trade.

George F. Stone, W. H. Perrine,
R. S. Lyon, B. Frank Howard.

Cigar Manufacturers' Association of America.

A. M. Jenkinson.

Cleveland Chamber of Commerce.

J. J. Sullivan, Geo. T. McIntosh.

Hoboken Board of Trade.

Edward H. Horwood, Palmer Campbell,
Adolph Lankering.

Italian Chamber of Commerce.

Achille Starace, Joseph Personeni.

Milwaukee Chamber of Commerce.

Edward J. Furlong, Wallace M. Bell,
Clark Fagg, H. A. Plumb.

National Hardware Association.

W. C. Nimmo, T. James Fernley.

National Irrigation Association.

George H. Maxwell, George E. Roberts,
Guy E. Mitchell, Charles D. Walcott.

Newport News Chamber of Commerce.

Walter B. Livezey, R. G. Bickford.

New York Board of Trade and Transportation.

Alexander Gilbert, G. Waldo Smith,
Wm. H. Gibson.

New York Produce Exchange.

E. R. Carhart,	Welding Ring,
W. H. Douglas,	John Aspegren,
F. E. Hagemeyer,	John P. Truesdell.

Norfolk Board of Trade and Business Men's Association.

Wm. T. Anderson,	W. W. Robertson.
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North Side Board of Trade.

J. Harris Jones,	Hon. Stephen B. Ayres,
Hon. Joseph A. Goulden,	Charles E. Reid,

Philadelphia Board of Trade.

Frank D. La Lanne,	J. N. Pew,
E. R. Wood,	Charles J. Cohen,
J. M. Harper,	Wm. R. Tucker (Alternate),
W. T. Robinson,	Philip Godley (Alternate),
W. T. Rolph,	Miers Busch (Alternate).

Philadelphia Bourse.

Philip Godley.

Philadelphia Chamber of Commerce.

Finley Acker,	John G. Croxton,
	N. B. Kelly.

Philadelphia Commercial Exchange.

E. L. Rogers.

Philadelphia Commercial Museum.

Wm. S. Harvey,	Dr. William P. Wilson,
	Wilfred H. Schoff.

Pittsburg Chamber of Commerce.

W. H. Stevenson,
Harrison Nesbit,
J. Denny O'Neil,

Thomas J. Keenan,
R. J. Cunningham,
Albert J. Logan.

Scranton Board of Trade.

F. L. Hitchcock,

H. C. Reynolds.

Washington Board of Trade.

John Joy Edson,
Dr. A. P. Fardon,

Robert N. Harper,
H. T. Newcomb.

West Virginia Board of Trade.

Henry G. Davis,

George C. Sturgis,
Wm. P. Hubbard.

Wilmington Board of Trade.

Wm. D. Mullen,
Howell E. England,

Edgar L. Haynes,
John S. Rossell.

OPENING ADDRESS OF THE PRESIDENT.

Gentlemen of the National Board of Trade:—It is well to remind you that this is the forty-third year of the life of your Board, suggested in 1867 in Detroit, planned at Boston in 1868, and organized in Philadelphia by invitation from that city the same year. Its declaration should be remembered:—

This organization is formed for the purpose of promoting the efficiency and extending the usefulness of the various commercial and manufacturing organizations of the United States of America, securing unity and harmony of action with reference to business usages and laws, and especially the proper consideration of and concentration of opinion upon questions affecting the financial, commercial and industrial interests of the country at large, and to provide a concerted action regarding National legislative measures and Governmental department affairs.

The National Board of Trade has always been a leader in thought, and has frequently in the past taken the initiative and laid the foundation for Congressional legislation afterwards enacted.

The honest, sincere service of forty-three years for the welfare of our country has created for the National Board the deepest respect of the Administration and the Congress, so that your representatives are well and promptly received, and listened to by the President and all department chiefs, as well as all members of Congress.

At our convention of last January there were present as delegates two ex-United States Senators and a number of members of Congress. Besides, at our banquet we had the President, who advocated our propositions, and many Senators and Congressmen, as well as the diplomats from our sister republics to the South of us and from European powers.

One of our strongest and most influential friends, Mr. A. M. READ (to whom you owe so much for his untiring and successful work on a uniform bill of lading, now used by most of the great railroads), some time president of the best managed organization in America, The American Warehousemen's Association, who kindly acted as Commissioner, in making his report last year said:—

I want to repeat, however, if I may, a portion of the first report I made to this Board. The three years I have been with you as a member of this body and as your Commissioner have intensified, instead of decreasing the feeling that the National Board of Trade, if it ever hopes to have the success it ought to have in influencing the councils of the country, should have its headquarters in Washington, D. C. (applause), and should have in charge competent men to appear before the Committees of Congress or before the Executive Departments of the Government and properly represent the desires of the National Board of Trade. The Office of Commissioner is one you do not need, and you ought to abolish it. You should have your headquarters here, your Secretary here, and a corps of men competent to bring before Congress and the Departments and properly represent what this Board thinks and desires for the public good; and, in my opinion, you will never succeed as you deserve and ought until that action shall be taken.

This sage advice you promptly acted upon, thus I think making the most important move in the history of the organization. An office was established in Washington in charge of Mr. A. T. ANDERSON, whose entire time has been given to the work. Able, conscientious and untiring, he has pushed the work along, by interviews with department chiefs, and before committees of Congress, emphasizing the views of business America. Never have the Board and its influence been better understood, nor has its work been better advertised.

The work is not finished when this convention adjourns. It will not be done for your Board, and it will not be done for any organization, unless men are kept at the doors of Congress eternally working on the subject and dinning it into the ears of legislators until success is won.

Through the year your officers have been greatly aided by your Commissioner in Washington when they have appeared before Congressional committees. We need a much greater force in Washington than our Commissioner. He has done, single-handed, much, but the time will come, when our finances will permit, that other work for the betterment of commerce at home and abroad can be taken on, and this will necessitate more help.

Being so intimately connected with the creation of the Department of Commerce and Labor, you are in close touch with its work, and that department appreciates your powerful influence.

A letter just received from the chief of the Bureau of Manufactures, giving some valuable suggestions and courting our aid, will be referred to by our Commissioner in his report.

Last year I quoted from the remarks of Mr. Kelly, the intelligent Railroad Commissioner of Chamber of Commerce, Philadelphia, who has done such good work for this Board:—

The suggestion of the President for the establishment of a United States Court of Commerce is most timely. The object or purpose of this court is to hear appeals from the decisions of the Interstate Commerce Commission and hasten the disposal of railroad cases.

To-day he writes me:—

I referred to the suggestion of the President for the establishment of a United States Court of Commerce. Since the last meeting of the National Board of Trade this law has been enacted and the judges have been appointed, the Presiding Judge being Hon. Martin A. Knapp, formerly the Chairman of the Interstate Commerce Commission, who was appointed for five years.

Last year I suggested that the Interstate Commerce Commission be empowered to pass upon the classification of commodities, with a view to equalizing rates. Subsequently Congress enacted legislation granting to the Commission the power to suspend rates filed with it until they could be investigated, and this is one of the most important and far-reaching amendments to the Interstate Commerce law since its adoption.

Immediately after the passage of this amendment the carriers in all sections of the country filed with the Commission advances on certain commodities and classes, proposing increases in the class rates ranging from 8 to 20 per cent. This met with immediate opposition from the shippers and representatives of shippers through the commercial bodies both in the East and West, and, as a result of this opposition, the Interstate Commerce Commission has suspended these rates until February 1, 1911.

In the meantime hearings have been held in Chicago, New York and Washington, which have been attended by the Presidents of the various carriers, together with representatives of the commercial bodies in both the East and the West, and over 4,000 pages of testimony have been taken. The case was argued under date of January 9th by the Eastern interests, and on January 20th the attorneys representing the Western carriers and those representing the Western shippers will be heard, and it is expected that the Commission will render its decision as near February 1st as possible, so as not to make a further suspension of these rates necessary.

In view of this amendment to the Interstate Commerce Law, the Presidents of several of the Eastern trunk lines have testified before the Commission that, by this amendment, the carriers have practically been placed under Governmental control and the responsibility for the securing of finances that are needed for extension and extraordinary improvements rests with the Government. Therefore, the decision to be rendered by the Interstate Commerce Commission will perhaps be one of the most important ever made by it.

And now, gentlemen, I think your most important work was the leading part you took, from 1873 to 1879, in the resumption of gold payments when the leading financiers, including the Hon. John Sherman, Secretary of the Treas-

ury, were eager to know what the business men's views, as enunciated by the National Board of Trade, were, many of the journals of the day saying nothing would be done till after your annual meeting of 1878. Again, your Board has come into a widespread national work following and immediately after the resolutions on Banking and Currency adopted at the meeting of January last year, which I append but will not read:—

**FORTIETH ANNUAL MEETING, NATIONAL BOARD
OF TRADE**

Held in Washington, D. C., January 25, 26, 27, 1910.

BANKING AND CURRENCY.

WHEREAS, We assume that a plan for the revision of our currency system will be formulated after the National Monetary Commission has made its final report; and

WHEREAS, A revision of our currency system upon a permanently sound and scientific basis is of vital importance to all interests and should be accomplished as soon as practicable;

Resolved, That the National Board of Trade favors the adoption of a currency system which will be based upon the following fundamental principles and ensure the following results:—

First.—Be absolutely fair to all interests and to all localities.

Second.—Ensure at all times an adequate supply of properly safeguarded currency.

Third.—The volume of said currency to automatically expand and contract in response to the normal demands of the manufacturing, commercial, agricultural and all other legitimate interests of the country.

Fourth.—Said systems to be absolutely free from domination or control by political or any other favored interests.

Resolved, That the National Board of Trade calls upon all its constituent bodies to carefully study the fundamental principles of banking and currency, in order to intelligently aid the enactment of such legislation as will best conserve the interests of the entire country.

Adopted by vote of the meeting.

Your President saw the importance of arousing the interest of the business world in monetary reform, and that it should be through the agency of the National Board of Trade. We wanted to work in harmony with the National

Monetary Commission, and had many important interviews with the leaders.

Your Commissioner went earnestly to work, inviting 200 Boards to join in Monetary Day, January 18, 1911.

From every part of our country, North, South, East, Middle West and Far West, came responses, and the names of the members of the committees appointed show careful selection of the most competent and well known men. One hundred and twenty-five of the most leading organizations are joining in this our move.

We are in hopes that our Monetary Day (to-morrow, January 18th) may mark an era in our work. It will be all banking and currency to-morrow. During the day and at the banquet in the evening we will be addressed by the chairman of the National Monetary Commission, Senator Aldrich, by Secretary of the Treasury MacVeagh, and by vice-chairman, Congressman Vreeland; Dr. Andrew, special assistant to the Commission and Assistant Secretary of the Treasury; Hon. C. Stuart Patterson, chairman of the Indianapolis Monetary Conference, and by several other luminaries in the financial world.

I hope all delegates, their friends and the ladies will attend the banquet. Tickets can be obtained at our office on ninth floor.

As an evidence of the respect held for your Board by the Administration, your President was appointed by Secretary of State Knox to represent the United States at the Fourth International Congress of Chambers of Commerce and Commercial and Industrial Associations, London, June 21, 22, 23, 1910, and to offer the resolution:—

The National Board of Trade of the United States of America, in recognition of the spirit of international comity now prevailing throughout the world, and in the belief that all nations are sincere in their peaceful professions and earnestly desire to promote the interests and welfare of mankind, requests that this International Congress of Chambers of Commerce and Commercial and Industrial Associations does

Resolve, That this Congress emphatically recommends to all nations the establishment of a Permanent International Court of Arbitral Justice, of free and easy access, composed of judges rep-

representing the various juridical systems of the world, and capable of insuring continuity in jurisprudence of arbitration.

This resolution was received with cheers, when your President said :—

The most important recent event in the cause of international peace is the proposition made to the nations by Secretary Knox for the establishment of a Permanent Court of Arbitral Justice. The proposition is being considered, and favorable expression concerning it are reported from Russia and France and some other nations.

I come bringing to you messages of peace and good will from the great country across the sea, which I represent.

A distinguished writer has said :—

"There is an increasing and well-nigh irresistible pressure upon the nations from within and from without for the avoidance of war, and this rising tide needs only one thing to give it effect, and that is an adequate method for the settlement of international differences without the necessity of a resort to arms. This method now presents itself in an international tribunal composed of permanent judges of the highest character for learning and disinterestedness, administering justice according to law. With the institution of such a tribunal the reign of law will be at hand."

To-day more than ever, in the history of the world, the chief executive of all nations is public opinion, and all the leaders look to the voice and sentiment of the business interests. When Mr. Carnegie said that if any controversy arose between Great Britain and the United States, it could be intrusted to the merchants of London and New York, who would settle it peacefully, and with honor to both nations, he expressed the longing and faith of all business interests. He has indorsed his faith in International Arbitration by his splendid gift of \$10,000,000.

When the name of Secretary Knox was mentioned the great hall rang with cheers of approbation. He stands in the front rank of the Prime Ministers of the world. Many interesting addresses were made favoring the resolution; the Germans were very pronounced. The foreign representatives of many of the Boards who are governmental officials could not vote that day, it being necessary to go home for instructions from their governments. The Ex-

ecutive Committee has charge of it and will present it at next Congress, where I believe it will be adopted.

Your representative received much attention from our Ambassador, Whitelaw Reid, and other members of the United States Embassy, as well as from Presidents of many European Boards.

Commerce flourishes best in peace times. You must continue your good work on International Arbitration.

THE BIDS FOR PEACE AND WAR.

For world's peace (Carnegie Fund)..... \$10,000,000

FOR WAR.

Cost of armies and navies, 1910:—

Great Britain	\$315,000,000
Germany	287,000,000
Russia	281,000,000
United States	262,000,000
France	227,000,000
Japan	95,000,000
Italy	84,000,000
Total	<hr/> \$1,551,000,000

The International Congress of Commercial Organizations will hold in 1912 its next convention in Boston. The Chamber of Commerce there, now the largest in our country, by the amalgamation of all the organizations of that city, has raised a large fund for the expenses of the convention and for entertainment of delegates. The federation of the commercial bodies of the world through the International Congress of Commercial Associations affords an unusual opportunity to our honored organization to occupy a field of great usefulness.

YOU HAVE A DIGNIFIED INTERNATIONAL REPUTATION.

You should very emphatically reaffirm your former action as being unalterably opposed to Federal inspection

of grain, believing it will be detrimental to every interest identified with the American grain trade, and will tend to advance the business of foreign grain-producing countries, which are seeking every advantage to increase their grain trade by the displacement of American products in the markets of the world.

The great staple crops of the country can only move in interstate commerce under bills of lading, and great laxity has heretofore existed in the issuance of bills of lading for valuable property, and serious financial loss has been occasioned by accommodation bills of lading, for which legal liability has been omitted; also, financial losses have accrued by reason of forged bills of lading; therefore it is essential that bills of lading should be in every sense bona fide and represent the facts therein stated, good business principles demanding for the benefit of the farmer, the dealer, the financial institutions and the carriers that all order bills of lading should be properly safeguarded. There has been passed by the House of Representatives, and there is now pending before the Senate of the United States, "A Bill Relating to Bills of Lading" (H. R. 12,276), which has for its purpose the prevention of issuing irregular bills of lading of any kind.

If this bill meets the approval of the business people, you should come out in no uncertain terms, for a safe and honest bill of lading is a valuable and safe negotiable business paper, readily discounted, in which the banks must have faith.

It is a sign of the times that so many Boards favor an early creation of an American Merchant Marine. The completion of the Panama Canal will give a great impetus to our trade. The millions paid annually for transportation in foreign ships will increase. Senator Gallinger's bill now before Congress will help. It is a beginning. Why not try it?

Let us be strongly in favor of a well-defined policy by the Government that will first make careful investigation,, by its army of engineers or other proper officers, of such

rivers, streams and harbors as will best serve transportation interests in all parts of the country, and then adopt a system of financial aid that will carry such works to completion speedily and systematically, and not, as at present, depend upon the uncertainty of irregular appropriations from year to year. We also repeat its protest against the filling up of our rivers and harbors by sewage, and urge the adoption of modern scientific methods for its disposal.

The rapid growth of American cities, and the menace to health because of inefficient or improper drainage, have made imperative the consideration by all communities of this vital question; and, as it has been demonstrated that cities and towns can dispose of their sewage otherwise than by allowing it to flow into streams, it is only necessary that a campaign of education be conducted to remedy present unsatisfactory conditions, which, if allowed to continue, will become intolerable. As the more progressive cities are taking into consideration this important matter, and providing for sewage disposal by modern methods, they should be protected from the drainage of cities in adjoining States polluting the water supply and spreading disease; and there is a growing feeling that there should be national regulation on this subject, just as there is national quarantine regulation for the prevention of the spread of contagious diseases. You are perhaps aware that a national association of eminent scientific men has been formed to carry out this idea, and at a meeting, held in Washington recently, they enlisted the friendly offices of President Taft.

As parts of our country, particularly the South, need much more worthy laborers, it would be well to reaffirm your previous resolution:—

Resolved, That the National Board of Trade recommends that stations for the reception of foreign immigrants be established by the United States Government at one or more South Atlantic or Gulf coast ports in order to more equitably distribute immigration from countries and to relieve the congestion of our Eastern and coast cities.

While there is room for improvement, our Consular service has so improved since your Consular reform convention, that the Administration should be congratulated. In my trips abroad I see our service above the average. Some wise resolutions on our Programme are offered to further improve this valuable agency for the extension of trade. While the resolutions offered for your consideration are not as numerous as last year, they are of great national moment. Several will be grouped so that work may be expedited.

I call attention to this by-law:—

3. During conventions of this association no delegates shall speak more than ten minutes upon one question without the leave of the convention, nor longer than twenty minutes without unanimous consent.

I would urge upon the delegates immediate and prompt consideration of the subjects assigned to the special committees, and have them ready to report just as quickly as possible.

We all wish the unsettled financial, railroad and corporation questions were out of the way, and that the commercial interests represented by the National Board could be left undisturbed in their efforts to earn their bread and butter.

A strong committee has been appointed, by action of the council, to perfect a plan for adding to the usefulness and numbers of the National Board. This committee will either be able to make a report at this convention or to a specially called meeting of your council. It must be borne in mind the plan of the National Board of Trade was taken largely from the Association of Chambers of Commerce of England, now the most powerful there, numbering about ninety organizations, and their plan has never been changed.

In the past year we have lost from our members two loyal and earnest workers, JOEL COOK, of Philadelphia, President of the Philadelphia Board of Trade, a member of Congress, a distinguished author, financier, and one of

our city's best citizens; and EGISTO MARIANI, Vice-President of the Italian Chamber of Commerce, for many years a valuable delegate to our conferences, a leading merchant in New York, and a model husband and father.

It would be in order that the Philadelphia delegates and those of the Italian Chamber of Commerce report resolutions of sympathy which may be adopted here and copies sent to the families and to their home organizations.

We have but one member from the Pacific Coast, the Portland Chamber of Commerce, but strong invitations come from some of the great Chambers of Commerce of the Pacific Coast, asking us to hold a convention at least once in three years on the Pacific. It has been suggested by some that the National Board might hold a second convention in one year out of three there, in addition to the principal convention which is held in Washington in January of each year.

Gentlemen, I thank you for your presence and patience in hearing what I have had to say. [Applause.]

REPORT OF THE COMMISSIONER.

The PRESIDENT.—We will now receive the report of our Commissioner, Mr. ANDERSON, who is present.

Commissioner A. T. ANDERSON.—Mr. President and delegates, before presenting my report, I wish to say that I have here on the table, for the convenience and use of the delegates two volumes of the Sessions Laws of the last session of Congress; Part I contains all the public acts and resolutions of that session, and Part II contains the private acts, concurrent resolutions, treaties and proclamations. On the table also will be found the Act to Regulate Commerce as amended, and acts supplementary thereto, revised to July 1, 1910; laws and regulations relative to excise tax on corporations, joint stock companies, associations and insurance companies; also copies of certain bills now pending in Congress, such as the Gallinger Mail Bill, Bill for the Creation of Tariff Board, etc.

COMMISSIONER'S REPORT.

January 17, 1911.

To the National Board of Trade:—

GENTLEMEN :—The Commissioner's office of the National Board of Trade was opened in Washington March 3, 1910. Since that time a large number of letters relating to pending legislation were sent to constituent members and other commercial organizations and many inquiries answered relating to public questions.

The National Board of Trade was represented at several hearings before committees of Congress regarding the subject matter of resolutions adopted at the last annual meeting.

Unusual interest was manifested by a large number of commercial bodies in the Interstate Commerce Law passed at the last session of Congress. Several sections of the new law contain features recommended in resolutions adopted at our last meeting, among them the establishment of a Court of Commerce, and provision for the improvement of the classification and routing of freight.

Many of the leading commercial organizations of the country were actively interested in the creation of a Tariff Board or Commission. During the closing days of the session the President sent to Congress a special message asking for an appropriation of \$250,000 that the present Tariff Board might continue its investigations. At one time it appeared doubtful if the President's request would be complied with. About 150 commercial organizations were promptly advised of the situation and a large proportion of them communicated with their representatives in Congress, urging them to vote for the appropriation, and the bill was passed. While the existing Tariff Board is not empowered to accomplish all that is desired, the bill now pending, which is likely to become a law, will give it ample power to gather such information as will enable Congress to give to tariff legislation scientific and non-partisan consideration. It is gratifying to know that the National Board of Trade has been instrumental in contributing to this result.

A Postal Savings Bank Law has been enacted, and since the first of the year forty-six postal savings banks have been opened, one in each State of the Union.

Last year we declared for a treaty of reciprocity with Canada. It is a pleasure to note that at this time negotiations are pending between the representatives of the United States and Canada, which bid fair to result in a treaty of reciprocity beneficial to both countries.

At the January meeting in 1910, the National Board of Trade declared in favor of a banking and currency system based upon the following fundamental principles:—

First.—It should be absolutely fair to all interests and to all localities.

Second.—Ensure at all times an adequate supply of properly safeguarded currency.

Third.—The volume of said currency to automatically expand and contract in response to the normal demands of the manufacturing, commercial, agricultural and all other legitimate interests of the country.

Fourth.—Said system to be absolutely free from domination or control by political or any favored interests,

and recommended to its constituent bodies to carefully study the fundamental principles of banking and currency in order to intelligently aid the enactment of such legislation as will best conserve the interests of the entire country.

In accordance with the spirit of this resolution, President LA LANNE interviewed the leading representatives of the National Monetary Commission and arranged for the distribution of its publications among the commercial organizations of the country.

For the past two years the commission has been engaged in collecting information about the banking and currency systems of the leading countries of the world. This investigation is now practically finished and its results in the form of forty publications of the Monetary Commission ready to be placed in the hands of the committees appointed by the various commercial organizations. This inquiry has been the most exhaustive, thorough and costly ever undertaken by any government in the world, for the enlightenment of the

people of the United States and unless utilized by them now it is not likely to be repeated for many decades to come. Two complete sets of these publications have been sent to each commercial organization interested in the subject. One set for the use of a committee and the other set to be placed in the library of the association for future reference.

Out of a total of 160 organizations with which we have been in correspondence, 125 have accepted the publications.

These 125 associations of business men are located in over 100 cities, representing thirty-two States and the District of Columbia.

Many of them have appointed special committees for the purpose of examining these publications and the remainder will do likewise in the near future.

A few of them have adopted resolutions on banking and currency, while a large proportion desire to await the report of the National Monetary Commission before expressing an opinion.

This attempt on the part of the National Board of Trade to interest the business men of the country in this important question has received the hearty indorsement of many well-known men, as well as the leading journals of the country.

It has been said that the panic of 1907 cost the country over \$2,000,000,000, and that these financial disasters come upon us in consequence of our unwise banking and currency system.

If the National Board of Trade can arouse the business sentiment of the nation and aid in the enactment of a law which will save one-half of the enormous losses which attend these recurring strains upon our credit machinery, it will be an achievement well worth the time and money expended.

Few people realize that the United States Government each year expends from \$25,000,000 to \$50,000,000 in scientific investigations, trade investigations and statistical work.

Reports are made from time to time on these investigations, and any one who has ever examined them, especially the results of the scientific investigations, speaks highly of their worth and value to the country. The Government can-

not disseminate all of this information among manufacturers and merchants, who can best utilize it, without the exercise of a paternalism which this country is not ready to assume. To supply each individual firm or corporation in the United States would enormously increase the expenses of our Government, and to give it to a select few would be discrimination, so those who are benefited must depend largely upon such reports as may be brought to their attention.

The various departments and bureaus of the Government would welcome such an agency as the National Board of Trade through which much of this valuable information would find its way into the factories, mills and counting rooms of men belonging to organizations eligible for membership in the National body.

The Bureau of Manufactures, the Bureau of Statistics, the Bureau of Mines, the Geological Survey, the Bureau of American Republics, the Bureau of Trade Relations of the State Department and other departments of the Government are constantly receiving information of great value to the business interests of the country.

Mr. A. H. Baldwin, Chief of the Bureau of Manufactures, in a recent letter says:—

“A widespread knowledge amongst manufacturers and exporters of the facilities of the Bureau for fostering, promoting and developing the various manufacturing interests would soon establish the close relations between the Department of Commerce and Labor and the commercial interests that are so much to be desired. It would also create a knowledge of the real value of the National activities for the extension of trade and there would naturally follow a universal appreciation of the necessity for strong support and encouragement of these activities.

This work has lagged behind similar official efforts by our European trade rivals, and this has been due very largely to the fact that American manufacturers know relatively little of the functions of these branches of the Government service and have shown heretofore comparative indifference to the published results of the work of the agents of the Department.

It seems certain that the present is the opportune time for expanding and making more effective our efforts for trade extension.

The already vast South American market, for example, trembles in the balance, which may turn toward Europe unless the United

States is alert to secure its share of the enormous trade which is to develop with that continent.

The Bureau of Manufactures has pointed out again and again the necessary steps to be taken to secure and hold this trade, but concerted and essentially National effort by exporters and manufacturers has mostly thus far been lacking.

Organizations like the National Board of Trade can do much to emphasize the necessity of such action and can direct attention to the facts and principles which the Bureau has made public."

To do this work on a scale commensurate with its importance requires an annual expenditure far in excess of our present income, nevertheless this should be the function of the National Board of Trade. If this work could be financed for two or three years there is no doubt that the merchants and manufacturers benefited by a judicious distribution of information would insist that the commercial organizations in their several localities become members of the National Board of Trade and aid in increasing its usefulness.

Since the organization of the National body in 1868, hundreds of associations have been organized for sectional or special purposes, and after a brief existence, having fulfilled their particular mission in whole or in part, have passed out of existence.

The most recent example is that of a commercial body organized about three years ago by a well-known cabinet officer under the administration of a most vigorous President. Its beginning was most auspicious, but in a short time, for lack of funds to carry on its work, and apparently conflicting interests, it also passed into history.

To those in close touch with the work of the National Board of Trade it is well known that the burden of its annual deficits have been borne by one man. We should not depend upon the generosity of one or two men or a few rich organizations to bear the financial burdens incident to this work.

The National Board of Trade cannot exert the influence it should through the membership of a few of the large commercial organizations, its encouragement should be extended to every commercial body in the United States, including cities of 25,000 population and upwards, and until this

is done we shall come far short of accomplishing what our foreign rivals have done in this direction.

A misapprehension exists regarding the material we have to draw upon for constituent members in a National body of this character. The census just completed shows that we have in the United States 228 cities of 25,000 or more inhabitants.

Fifty of these cities have 100,000 population or more, and 178 have 25,000 to 100,000 inhabitants.

A writer in a recent magazine article, commenting on the success of two or three well-known commercial bodies, conveys the impression that we have several thousand commercial organizations in the United States.

We have a very large number of organizations, organized for special purposes, whose membership never meets and whose existence is on paper only; these cannot be classed among the commercial bodies eligible for membership in the National Board of Trade.

It is improbable that we have at this time more than 200 active commercial organizations, as distinguished from industrial and trading associations, identified with the civic interests of their respective localities, and of these it is doubtful if more than one-fourth have sufficient income to meet their local demands.

In many of the commercial bodies of the United States the civic spirit is practically dead and little effort is made to arouse the membership except in matters which pertain to advertising the locality or carrying out boom projects for financial purposes. Very few of them realize that it is more important to harmonize the business sentiment of the nation regarding wise National policies than to employ temporary expedients to advance local needs.

In the 228 cities with a population of 25,000 or more, with the exception of twelve or fifteen of the most populous, there should be one strong organization of business men representing the general welfare, with boards or subdivisions to care for the special interests now represented by numerous separate organizations, many of which as now constituted, minimize the influence of the locality as a whole.

The National Board of Trade must create its own constituency by encouraging the many organizations whose growth is retarded and whose usefulness is impaired by designing and selfish men.

Much can be accomplished in this direction through closer co-operation with the leading members of these various organizations by bringing to their attention from time to time the advantages our Government offers through the Departments and Bureaus referred to in this report.

Respectfully submitted,

A. T. ANDERSON,
Commissioner.

[Great applause.]

The PRESIDENT.—If there be no objection the report of the Commissioner will be received and approved. The Chair hears no objection. It is so ordered.

PUBLICATION OF REPORT OF NATIONAL MONETARY COMMISSION.

The PRESIDENT.—A gentlemen present representing the press has handed to the Chair the following notice:—

Your association may be interested to know that the long-awaited report of the National Monetary Commission is being made public in the afternoon papers to-day. [Applause.]

TREASURER'S REPORT.

The PRESIDENT.—The next order of business will be the reading of the report of the Treasurer.

The Treasurer, Mr. WM. R. TUCKER, read his report, as follows:—

January 17, 1911.

To the President and Members of the National Board of Trade:—

GENTLEMEN:—Your Treasurer respectfully reports that, including a balance of \$583.30 at the beginning of the year, the receipts from

all sources (including \$3,733.05 advanced by a syndicate) were \$6,838.56.

The expenditures were \$6,697.28, leaving a balance of \$141.28 to be carried to the new account.

A summarized statement of the receipts and the expenditures is attached hereto.

Yours truly,

W. R. TUCKER,
Treasurer.

SUMMARY OF RECEIPTS AND EXPENDITURES FOR YEAR ENDING JANUARY 17, 1911.

RECEIPTS.	
Balance from last account	\$583 30
Annual assessments,	
Year 1909	\$90 00
Year 1910	2,050 00
Year 1911	90 00
	<hr/>
	2,230 00
Associate members, 1910	290 00
Amount advanced by Philadelphia syndicate...	3,733 05
Interest on deposits	2 21
	<hr/>
	\$6,838 56
EXPENDITURES.	
Expenses fortieth annual meeting	\$259 37
Stenographer	165 65
Secretary,	
Salary	\$800 00
Printing, etc.	262 10
	<hr/>
	1,062 10
President,	
Postage, printing, etc.	142 97
Fortieth annual reports	493 68
	<hr/>
Total	\$2,123 77
Commissioner,	
Salary	\$3,300 00
Expenses	1,046 77
	<hr/>
	4,346 77
International Congress of Chambers of Com- merce, subscription	100 00
Official Programmes, forty-first annual meeting,	126 74
Balance on hand	141 28
	<hr/>
	\$6,838 56

Mr. TUCKER.—I may say that this report has been submitted to an Auditing Committee, who have examined the same and have reported it as having been found correct.

On motion the report of the Treasurer was received and approved.

DIPLOMATIC AND CONSULAR SERVICE.

The PRESIDENT.—At this juncture the Chair desires to read and submit a letter received by him this morning from Mr. Knox, the Secretary of State:—

January 16, 1911.

MY DEAR MR. LA LANNE:—

I am sending you a copy of a bill, introduced in the House of Representatives by the Honorable Frank O. Lowden, for the improvement of the diplomatic and consular service. It is proposed by this bill to enact into law, in accordance with the President's recommendation to Congress, the essential principles of the existing executive orders regulating promotions in the diplomatic and consular service, and to provide for ascertaining, by an impartial examination into, the qualifications of candidates for appointment to those services. A measure of the kind proposed by Mr. Lowden is a step now needed to perfect and make permanent the improvements already brought about in the foreign service and to lay the foundation for still further progress.

I feel quite sure that you will agree with the general principles of the bill, and I should be very glad of any help that you may give in bringing it to the attention of the people of the country.

Yours sincerely,

MR. FRANK D. LA LANNE,

P. C. KNOX.

President National Board of Trade.

This letter from Mr. Knox is to us a very grateful recognition of his recognition of the importance of the influence of the National Board of Trade, and this is not the first instance in which the Secretary of State has asked our organization to help along, as well as it may, his work in this and other directions. Several years ago Secretary Root, at the suggestion of your President, increased from \$2,500 to \$4,000 the salary of the incumbent of one of the important diplomatic posts where your President had found that official

doing work out of all proportion to his salary. That is one example of the influence of the National Board of Trade. To receive such letters as this is very gratifying, particularly while our convention is in session.

Mr. Wood, of Philadelphia.—It occurs to me that it would be well, and I therefore move, that the Secretary, in acknowledging the receipt of the letter from Mr. Knox, should thank him for the same and assure him of our desire to co-operate with him.

The motion was agreed to.

On motion of Mr. DOUGLAS, of New York, the above letter from Secretary Knox was referred to the Committee on Diplomatic and Consular Relations.

ENLARGEMENT OF THE SCOPE OF THE NATIONAL BOARD OF TRADE.

The PRESIDENT.—The Secretary will read a resolution adopted unanimously yesterday at a meeting of the council. The council, as you know, is the body from which we get all our power.

The Secretary read as follows:—

WHEREAS, The Boston Chamber of Commerce has presented for the Official Programme certain proposed amendments to the Constitution of the National Board of Trade, having for their purpose the enlargement of the scope of the National Board, and the increase of its influence; therefore

Resolved, That the first business before the convention shall be the appointment by the President of a committee, not exceeding eleven members, fully representative of all sections of the country, to consider the proposed amendments and for the purpose of devising ways and means for the promotion of the aims and purposes of this organization and to make a greater National organization, which will bring into harmonious co-operation the commercial and business associations of the whole country.

Resolved, further, That the committee be requested to report as soon as convenient, and, if possible, at the opening session of the convention on Thursday, January 19th, or, if necessary, to a special

meeting of the council to be called for that purpose by the President.

The resolutions were received and approved.

The PRESIDENT.—The Chair will appoint that committee at once, and in doing so will state that he has named the committee in alphabetical order, because otherwise it might be thought that the first-named member of the committee would be the choice of the President for the Chairman of the committee. The President of this Board thinks, however, that each committee should itself select its own Chairman from its own membership of distinguished men.

The Committee will be composed of the following delegates:—

A. T. ANDERSON, Cleveland; CHARLES ENGLAND, Baltimore; EDWARD A. FILENE, Boston; JOHN H. FAHEY, Boston; F. L. HITCHCOCK, Scranton; W. B. LIVEZEY, Newport News; GEORGE H. MAXWELL, Chicago; A. M. READ, Washington, D. C.; GEORGE F. STONE, Chicago; JOHN P. TRUESDELL, New York; WILLIAM R. TUCKER, Philadelphia.

OFFICIAL PROGRAMME.

The Board proceeded to the consideration of the Official Programme, which was as follows:—

I. AMERICAN MERCHANT MARINE.

NEW YORK PRODUCE EXCHANGE.

The leading nations of the world are eagerly seeking commercial supremacy on the ocean with the same energy and determination they are striving to upbuild their industrial and manufacturing interests on the land.

Foreign governments fully realize that fast mail lines and a large commercial fleet are absolutely essential for the proper protection of their merchants seeking markets abroad.

The American Government alone seems indifferent to our National requirements and our merchant marine has been allowed to pass away until we have practically no ships left in the ocean carrying trade.

We have repeatedly knocked at the doors of Congress demanding relief, but no action has been taken.

We again renew our request and ask for prompt legislation which will change this unfortunate situation, so dangerous to our prosperity, and enable us to again take a proper place among maritime powers to which we are entitled by reason of our great population and the magnitude of our foreign commerce.

II. AMERICAN MERCHANT MARINE.

PHILADELPHIA CHAMBER OF COMMERCE.

WHEREAS, The commercial and industrial necessity for a material increase of American shipping in foreign trade becomes more apparent each year; and

WHEREAS, An adequate merchant marine is of inestimable value, both in time of war and in time of peace; therefore be it

Resolved, That we again urge upon Congress the consideration and the passage of such legislation as will promote the growth of an American merchant marine built in American shipyards, commensurate with the needs of our foreign commerce, and which will give to all American citizens equal opportunities for building, owning and operating ships to compete for the carrying trade of the world.

III. MERCHANT MARINE.

PHILADELPHIA COMMERCIAL MUSEUM.

Resolved, That the National Board of Trade reaffirms its appeal to Congress for whatever assistance it can render toward the upbuilding and operation of an American merchant marine, so that American citizens need no longer suffer the humiliation of seeing the products of their agriculture and industry carried in increasing volume to the ends of the earth and for the profit of alien vessel owners.

IV. AMERICAN MERCHANT MARINE.

SCRANTON BOARD OF TRADE.

Resolved, That the National Board of Trade reaffirms its former utterances in favor of the rehabilitation of our merchant marine. It urges upon the Congress the imperative necessity of passing such a bill as will insure the early establishing of lines of ocean steamers under the American flag to all parts of the world, as a means of promoting American trade and commerce in time of peace and as adjunct to our navy in time of war. To this end, following the example of other maritime nations, it believes in mail carrying sub-

sidies to such extent as will insure their establishment and continuance.

V. AMERICAN MERCHANT MARINE.

WASHINGTON BOARD OF TRADE.

The Washington Board of Trade reaffirms its action heretofore expressed relative to the American merchant marine.

It recommends that the National Board of Trade urges upon Congress the passage of an act to encourage and develop our merchant marine in order that all commerce with our Eastern possessions and also our rapidly increasing export trade may be carried under the American flag, in vessels manned and owned by our people and as auxiliary to our navy in time of war.

VI. CONSERVATION OF NATURAL RESOURCES.

PHILADELPHIA COMMERCIAL MUSEUM.

Resolved, That the National Board of Trade reaffirms its appeal to the patriotic sentiment of all the people in all the States to use their personal influence and efforts on behalf of all National and State legislation that will help conserve the natural resources, forests, waterways, soils and minerals, so that they shall be administered as a sacred trust for all the people; under which, while the needs of future generations shall be safeguarded, those of the present shall receive all the consideration to which they are entitled.

VII. FOREST RESERVES.

PHILADELPHIA COMMERCIAL MUSEUM.

Resolved, That the National Board of Trade earnestly urges the present passage of the bill now pending in Congress for the creation of the Appalachian and White Mountain Forest Reserves.

VIII. FORESTRY.

SCRANTON BOARD OF TRADE.

WHEREAS, The preservation of the great mountain water sheds of the eastern mountains of the United States, as well as of the other water sheds, demands the preservation of our forests, and the reforestation of the denuded areas is vital, not only to the safety of the country, but to the preservation of the water powers upon which millions of dollars in manufacturing enterprises now depend; therefore be it

Resolved, By the National Board of Trade that Congress be requested to enact adequate laws for the reforestation of denuded areas and the protection of existing forests, especially the setting apart of what is known as the Appalachian and White Mountain Forest Reserves of the East, and other forest reserves wherever practicable throughout the United States.

Resolved, That the establishment of National nurseries for propagation of trees adapted climatically to the varying conditions of the country to be furnished prospective planters at a reasonable cost, and with advice as to planting and care, will tend to promote forestry with better results than now obtained. The National Board of Trade advocates action by Congress calculated to establish such nurseries.

IX. CONSERVATION.

SCRANTON BOARD OF TRADE.

Resolved, That the development of great water storage and power plants are tending to conserve our coal deposits, prevent floods, to advance forestry, agriculture and promote inland waterways, should impel Congress to adopt a broad and liberal policy with reference thereto, but where located upon Government lands the control thereof should remain in the Government.

X. WEEKS' FORESTRY BILL.

BOSTON CHAMBER OF COMMERCE.

WHEREAS, The National Board of Trade realizes the necessity of preserving forests and of reforestation, and thereby conserving our inland waterways, preventing floods and erosion, preserving and developing our water power and preventing disease; it is therefore

Resolved, That the National Board of Trade strongly urges upon Congress the speedy passage of the so-called Weeks' Forestry Bill (House Resolve 11,798), appropriating the receipts from National forest reservations for the acquisition of additional forest reservations, as the most practicable means of aiding and conserving the forests of our country and preserving the water supply of our streams by protecting the water sheds thereof, and thus securing a more equable flow of springs and streams.

XI. CURRENCY REFORM.

BALTIMORE BOARD OF TRADE.

WHEREAS, A reformation of our Federal financial policy and currency system is imperative; therefore be it

Resolved, That the National Board of Trade shall by appropriate action of its membership endeavor to impress upon the members of

Congress the fact that further delay in enacting legislation to correct the evils of our monetary and currency systems is both dangerous and not to be endured by the commercial interests of this country.

Resolved, That while the Board of Trade of Baltimore hesitates to suggest a plan of currency reform in detail, it does consider there is a necessity for the consideration of some centralized body for the regulation of our banking and currency systems under Government supervision.

XII. NATIONAL CURRENCY.

BALTIMORE CHAMBER OF COMMERCE.

Resolved, That the National Board of Trade reaffirms its opinion as to the necessity of currency reform and again appeals to Congress to consider the subject and endeavor to affect such legislation as will make the currency of the country conform to the constantly growing requirements of the country.

XIII. NATIONAL CURRENCY.

NEW YORK PRODUCE EXCHANGE.

WHEREAS, The central bank system, as shown in the publication of the National Monetary Commission, has been adopted by nearly all the leading countries of the world and has been found everywhere to successfully meet and provide for the varying existing conditions; and

WHEREAS, The central bank system, if adopted in this country will provide a stable currency equally available in all parts of the country and responsive to the requirements of legitimate business, and will also, without taking away any of the privileges and powers of the individual bank, bring all the banks into such relation one to the other that they will be able to co-operate in everything affecting the common welfare, and provide such general facilities as will promote the interests of the business of the country; therefore

Resolved, That the National Board of Trade declares itself as favoring a central bank system, believing that it will successfully meet all the requirements of a sound National monetary system.

XIV. NATIONAL BANKING AND CURRENCY.

PHILADELPHIA BOARD OF TRADE.

Resolved, That the Philadelphia Board of Trade believes the following project for a Central Bank of the United States contains features essential for such an institution, and for that reason only offers it for consideration by the National Board of Trade without intending to express its approval of the formation of a central bank.

WHEREAS, The financial system of the country is defective,

In that the Government notes and bond secured bank notes are essentially inflexible, because they do not expand nor contract in accordance with the demands of business;

In that the gold reserve being scattered and unavailable in times of stress is not adequate for the superstructure of deposits and notes;

In that there is no open market in which the assets of the banks in mercantile paper can be readily and without sacrifice converted into cash;

And that these defects can be remedied in the manner following:—

1. A bank of the United States can be organized to do a deposit and discount business with the banks and trust companies, and to issue circulating notes secured by gold, high-class marketable securities and by short-term paper representing actual commercial transactions up to but not to exceed 66 per cent. of all approved collateral held therefor.

2. The capital of the Central Bank should be subscribed only by National banks and trust companies, with limitations not only upon the holding by any one institution of the shares of that stock, but also upon the aggregate holding therein by the banks of any one Clearing House Association.

3. The Government should have a sufficient representation in the Board, say, one-third of the whole number, to be appointed by the Secretary of the Treasury and approved by the President of the United States. The remaining members of the Board, one-third shall be elected annually by a majority vote of the whole number of stockholders, and the other one-third by a majority vote of the whole number of National currency associations.

4. National currency associations can be organized and can be used to act as guarantors and supervisors of the paper to be rediscounted by the individual institutions with this Central Bank. Certain limits ought to be maintained as to amount of paper which each individual institution and which each currency association will be allowed to rediscount with the Central Bank.

5. The deposits of the National banks and trust companies in the Central Bank shall be counted as part of their reserves.

6. The notes of the Central Bank shall on demand be payable in gold.

XV. BANKING AND CURRENCY.

PHILADELPHIA CHAMBER OF COMMERCE.

WHEREAS, A revision of our currency system upon a sound and scientific basis is of vital importance to all our interests, and its full and frank discussion has been specifically urged by the National Monetary Commission; and

WHEREAS, One method of currency revision which has received serious consideration, and which has been formulated in several currency bills introduced in Congress, provides for the issuance of National bank notes equal in amount to the paid-up capital of the banks and for larger amounts in case of necessity, and secured by the same class of assets and reserves which are now required for deposits and protected by a general guaranty fund and subject to regulation which would ensure their prompt redemption by the bank of issue and cause their automatic retirement when not needed for the normal requirements of trade; and

WHEREAS, Another method of currency revision which has received serious consideration would centralize the monetary affairs of the entire nation in a central bank, which would necessarily be under the control either of the Government or of a comparatively limited number of individuals;

Resolved, That the National Board of Trade reaffirms its advocacy of a currency system which will be based upon the following fundamental principles and ensure the following results:—

First.—Be absolutely fair and impartial to all interests and to all localities.

Second.—Ensure at all times an adequate supply of properly safeguarded currency.

Third.—The volume of said currency to automatically expand and contract in response to the normal demands of the manufacturing, commercial, agricultural and all other legitimate interests of the country.

Fourth.—Said system to be absolutely free from domination or control by political or any other favored interests.

Resolved, That in the judgment of the National Board of Trade the above requisites of a sound and efficient currency system are more likely to be attained through simplifying and perfecting the currency features embodied in the several banking and currency bills, above referred to, than by organizing one central bank for the entire nation.

XVI. BANKING AND CURRENCY.

SCRANTON BOARD OF TRADE.

WHEREAS, It is generally conceded that credit stringencies, especially in the fall crop moving time and during panics, such as that of October, 1907, are intensified by defects in our currency system; therefore.

Resolved, first, That the Scranton Board of Trade favors revision of our banking and currency system.

Resolved, second, The Scranton Board of Trade favors a centralized system, adapted to American conditions, and without prejudice to our present National bank system, but supplementary thereto. This central institution should be a bank for banks only, its main purpose rediscounting for other banks, and State as well as National banks should be permitted to subscribe for its stock and participate in its benefits. This bank should be a depository for Government funds only, deal in foreign exchange and be under proper Governmental control; *provided, however,* that the rights of the owners of the stock be fully safeguarded and guaranteed. This bank should have the power, properly safeguarded by Act of Congress, to issue to other banks its own bills or notes, based upon approved commercial notes and securities.

XVII. NATIONAL BANKING AND CURRENCY.

WILMINGTON BOARD OF TRADE.

Resolved, That the Wilmington Board of Trade recommends the reorganization of the existing system of National banking and currency, under an Act of Congress embodying the following general features:—

1. The organization of a National bank, to be known as the Bank of the United States, the principal bank to be located in the city of Washington and a branch thereof to be established in each of twelve banking districts, into which the United States shall be divided.

2. The affairs of said bank to be managed by a Board of Managers, twenty-four in number, one member of said board to be appointed by the President of the United States from each of said banking districts, and one member elected by the stockholders from each of said districts; the President to appoint, also, a governor and vice-governor, who shall be the chief executive officers of said bank, and the Board of Managers to appoint all subordinate officers and assistants.

3. The capital stock of said bank to be divided in the proportions of one-half to the United States and one-half to such persons, firms or corporations as shall subscribe for the same, the number of shares allotted to any one person, firm or corporation to be limited.

4. The said bank to issue its own notes, in various denominations, to an amount equal to its capital stock which notes shall be guaranteed by the United States and shall be legal tender in sums of not less than \$5 in the payment of all debts and dues, public and private.

5. The said bank to receive on deposit from other banks and from trust companies bonds of the United States and of any State, Territory or city, and to issue its notes in exchange therefor on such terms and conditions as may be determined by the Board of Managers.

6. The said bank to make loans to other banks and to trust companies, in such sums, on such security and at such rates of interest as the Board of Managers may approve.

7. The said bank to be the depository of the current funds of the United States and of the funds of any State, Territory or city, and to act as the fiscal agent of the United States or of any State, Territory or city.

8. The said bank to maintain at all times a cash reserve equal to 25 per cent. of its deposits, at least 15 per cent. of which cash reserve shall be in gold coin or gold certificates, and 10 per cent. in silver coin or silver certificates.

9. The said bank to submit its accounts and affairs to the examination of experts appointed by the Secretary of the Treasury, and to publish quarterly reports of its condition for the information of the public.

10. The said bank to establish reciprocal relations with any bank or trust company in the United States, or in any Territory thereof, under regulations prescribed by the Board of Managers.

11. The currency of the country to consist ultimately of gold and silver coin and subsidiary coin and gold and silver certificates issued by the United States, and notes of the said bank of the United States, provision being made for the gradual retirement of all other forms of currency now in circulation.

XVIII. OPPOSITION TO PARCELS POST.

NATIONAL HARDWARE ASSOCIATION OF THE UNITED STATES.

WHEREAS, We believe it is against the best interests of our country to have the Government enter into the merchandise carrying business.

WHEREAS, We believe that this system, if adopted, might lead to Governmental ownership of railroads; and

WHEREAS, Those who are pressing for a parcels post are engaged in a mail order business, which would thereby be greatly built up to the detriment of the interests of rural communities; therefore

Resolved, That the National Board of Trade is opposed to a parcels post of any character, either experimental or otherwise.

XIX. RURAL FREE DELIVERY PARCELS POST.

NEW YORK PRODUCE EXCHANGE.

WHEREAS, It is the judgment of the National Board of Trade that the adoption of a system for the delivery of parcels which originate and are for delivery upon the same rural free delivery route, would

assist in building up our rural districts and become a source of large revenue to the Postal Department; be it

Resolved, That the National Board of Trade urges Congress to adopt a system of postal delivery of parcels which originate and are for delivery upon one and the same rural free delivery route.

XX. RURAL PARCELS POST.

PHILADELPHIA BOARD OF TRADE.

Resolved, That the carriers of the postal rural free delivery should be permitted to take parcels in their wagons subject to a moderate post office charge.

XXI. PARCELS POST.

SCRANTON BOARD OF TRADE.

Resolved, That Congress be urged to establish a parcels post for the delivery of parcels which originate and are for delivery upon the same rural free delivery route, as desirable in extending a great convenience to the country merchant and his customers, and likely, by the revenue derived therefrom, to make possible penny post.

XXII. TOU VELLE BILL.

BOSTON CHAMBER OF COMMERCE.

WHEREAS, It is a well-known fact that the work of the Federal Post Office Department is greatly facilitated by having envelopes clearly and uniformly stamped with the address of the sender; and

WHEREAS, The United States Government now furnishes to order in lots of 500 or more, stamped envelopes bearing the return address at a price but little above that of the stamped envelopes alone, by reason of the fact that the envelopes can be stamped and the address printed all at one operation; and

WHEREAS, This practice results in a great saving and convenience to the public and is in entire accord with the clearly recognized policy of the Post Office Department to render the best and most economical service possible, and cannot be construed as unfair competition with private interests; therefore be it

Resolved, That the National Board of Trade is opposed to the passage of H. R. 3,075, known as the TouVelle Bill, forbidding the further sale by the Federal Government of stamped envelopes bearing the purchaser's return address, as a measure which is inimical to the interests of the general public.

XXIII. LIMITING THE PRINTING ON GOVERNMENT
STAMPED ENVELOPES.

PHILADELPHIA BOARD OF TRADE.

The National Board of Trade heartily commends the action of the House of Representatives in passing, at the last session of Congress, H. R. Bill No. 23,098, being "A Bill prohibiting the printing of certain matter on stamped envelopes and the sale thereof," by a vote of 192 to 27.

This measure was reported favorably by the unanimous vote of the House Committee on Post Office and Post Roads, after exhaustive hearings had been accorded those favoring and those opposing the bill.

The bill is now pending in the Senate; therefore

The National Board of Trade earnestly petitions the United States Senate to early pass the bill in the form adopted in the House, so that the same may be handed the President for his approval and thus become law.

XXIV. PRINTED MATTER ON GOVERNMENT STAMPED
ENVELOPES.

PHILADELPHIA CHAMBER OF COMMERCE.

Resolved, That the National Board of Trade records its approval of the action of the House of Representatives in passing Bill No. 3,075, being "A Bill prohibiting the printing of certain matter on stamped envelopes and the sale thereof," which bill was passed by the overwhelming vote of 192 to 27. As a similar bill is now pending in the Senate, the National Board of Trade earnestly hopes that the Senate will pass the same as adopted by the House, and thus meet the wishes of many thousand business men throughout the United States.

XXV. ONE-CENT LETTER POSTAGE.

PHILADELPHIA CHAMBER OF COMMERCE.

Resolved, That the National Board of Trade earnestly reaffirms its advocacy of 1-cent letter postage because said rate, segregated from the unprofitable classes of mail matter, is believed to be profitable, and the present rate of 2 cents consequently exacts from all classes of letter writers a net profit of more than 100 per cent; be it further

Resolved, That if it be deemed inexpedient to establish general 1-cent letter postage at this time, the National Board of Trade respectfully urges the immediate adoption of 1-cent local letter postage, to be applied to letters which are delivered in the same towns and cities in which they originate.

XXVI. ONE-CENT LETTER POSTAGE.

SCRANTON BOARD OF TRADE.

Resolved, That the National Board of Trade once more reaffirms its many times repeated utterances in favor of 1-cent letter postage. It believes that the present postal system of charging letter postage 300 times more than cost in order to make up for a deficit caused by carrying second-class matter at one-eighth its actual cost is inequitable and iniquitous. It is robbing one class of business for the benefit of another. All kinds of mail matter should be made to pay the cost of its own transportation, which being done, 1-cent letter postage can be had without a postal deficit. In any event, we insist on having letter postage at 1 cent, which at that rate will still yield a profit of 150 per cent.

XXVII. POSTAL AFFAIRS.

WILMINGTON BOARD OF TRADE.

WHEREAS, Under the wise and able management of the present Postmaster-General the deficit in the Post Office Department seems to have been very largely decreased during the past year;

Resolved, That the Wilmington (Del.) Board of Trade reaffirms its former resolutions to the National Board of Trade and urges the said Board to recommend to Congress the immediate adoption of 1-cent general letter postage.

XXVIII. DISCHARGE OF SEWAGE INTO NAVIGABLE WATERWAYS.

BALTIMORE CHAMBER OF COMMERCE.

WHEREAS, It is being demonstrated that the sewage of a city of the largest size can be raised to a satisfactory degree of purity before being discharged into waterways; and

WHEREAS, There is now no reason why all cities and communities should not in time treat their sewage before it is discharged into rivers and waterways; and

WHEREAS, The widespread and indiscriminate discharge of crude sewage into our natural rivers and waterways is rapidly destroying one of the nation's greatest assets, "pure water"; therefore be it

Resolved, That the National Board of Trade recommends such general legislation as will tend to discontinue the indiscriminate discharge of sewage into rivers and waterways and favors the enactments of National legislation which shall place under control of the Government all interstate waterways for the preservation of health

by preventing pollution of streams, and further recommends the appointment of a National Commission of broad-minded men, familiar with this subject, whose duty it shall be to study the question from a National standpoint and to thoroughly digest existing laws, and to report such modifications or new laws that will secure the co-operation of the United States Government, States, cities and communities, which are now in constant conflict with one another concerning this important question; and be it further

Resolved, That a copy of these resolutions be sent to the President, the President of the United States Senate and the Speaker of the House of Representatives.

XXIX. EXTENSION OF PIERS.

NEW YORK PRODUCE EXCHANGE.

With the near approach to completion of new steamers of such extreme length that at present there are no berthing facilities to accommodate them in our harbors, it is becoming urgently necessary to provide proper piers of sufficient capacity if we are to avail of the best and most modern means of ocean transportation; therefore be it

Resolved, That the National Board of Trade strongly urges the Board of Army Engineers to give this subject most careful and immediate attention, and where it may be at all possible and safe, to permit local authorities to extend pier head lines, making the piers of sufficient length to berth the largest steamers that may come to this country.

XXX. IMPROVEMENTS IN OUR RIVERS AND HARBORS AND INTERNATIONAL WATERWAYS.

NEW YORK PRODUCE EXCHANGE.

WHEREAS, It being a well ascertained fact that water transportation is the cheapest and most economical means for moving of merchandise, particularly of bulky and cheap products; and

WHEREAS, The opportunities for development of inland waterways and sea coast harbors are greater in the United States than any other country; therefore be it

Resolved, That we are strongly in favor of a well-defined policy by the Government that will first make careful investigation by its army engineers or other proper officers of such rivers, streams and harbors, as will best serve transportation interests in all parts of the country, and then adopt a system of financial aid that will carry such works to completion speedily and systematically and not, as at present, depend upon the uncertainty of irregular appropriations from year to

year. We also repeat its protest against the filling up of our rivers and harbors by sewage and urge the adoption of modern scientific methods for its disposal.

XXXI. COASTWISE WATERWAYS.

PHILADELPHIA BOARD OF TRADE.

Resolved, That the coastwise waterways of the United States by their extent and ramifications rival in importance the interior riverine system and merit a similar attention on the part of the Government.

XXXII. RIVER AND HARBOR IMPROVEMENTS.

PHILADELPHIA CHAMBER OF COMMERCE.

WHEREAS, The maximum development of American manufactures and commerce requires the utilization of the most economic and efficient means of freight transportation and

WHEREAS, The great need of the development of our inland waterways and harbors has been fully demonstrated, and the approaching completion of the Panama Canal urgently suggests that measures for this development be instituted; it is therefore

Resolved, That the National Board of Trade earnestly urges that liberal appropriations be made by Congress at an early date for improvements of our inland waterways and such harbors as may need preparation for enlarged trade.

XXXIII. RIVER AND HARBOR IMPROVEMENTS.

PHILADELPHIA COMMERCIAL MUSEUM.

Resolved, That the National Board of Trade favors the adoption by Congress of a systematic policy of waterway improvement which shall include those projects affording the greatest promise of future traffic, with reference to production and population, comprising both river systems and intracoastal waterways.

XXXIV. RIVER AND HARBOR IMPROVEMENT.

PITTSBURG CHAMBER OF COMMERCE.

Resolved, That the National Board of Trade urges upon Congress the necessity of an annual appropriation of not less than \$50,000,000 for a period of ten years by bond issue; if the current revenues are insufficient for waterway improvement, these appropriations to be applied in such manner as to permit of progressive, continuous and permanent work being done upon approved projects to provide for

the proper development of the transportation facilities of the country; and

Resolved, That Congress be urged to enact liberal rivers and harbors legislation, to the end that the work on our great waterway improvements may be quickly completed.

XXXV. FLOOD PROTECTION.

PITTSBURG CHAMBER OF COMMERCE.

WHEREAS, Danger and detriment to navigation and great destruction of life and property have been caused from time to time along the navigable streams of the whole country by reason of floods; and

WHEREAS, The Flood Commission of the Chamber of Commerce of Pittsburg, by surveys and study, involving the expenditure of a large sum of money, has clearly demonstrated that it is entirely possible to protect property that would otherwise be damaged and destroyed by floods, and also aid navigation by the deepening of the streams, straightening of the channels and the construction of storage reservoirs for the purpose of preventing destruction in flood time and supplying water for navigation during the dry seasons; therefore be it

Resolved, That the National Board of Trade recommends that Congress take action towards providing means for the prevention of disastrous floods and aiding navigation on inland waterways.

XXXVI. INLAND WATERWAYS.

SCRANTON BOARD OF TRADE.

Resolved, That the advancing freight rates on commodities yielding comparatively low rates of freight, and the delayed delivery of such freights by rail as compared with the delivery by water, make it desirable that important inland waterways be developed expeditiously in relief of existing conditions. Congress is urged to take prompt action looking to the relief of traffic in bulky commodities.

XXXVII. RIVERS AND HARBORS.

WASHINGTON BOARD OF TRADE.

WHEREAS, The increasing productions of our country and its enlarged domestic and foreign commerce demand all possible facilities of transportation—the free natural lines of transportation are its rivers and harbors—all such available waters for water-borne commerce should be kept open and in condition for transportation; therefore

Resolved, That the National Board of Trade urge upon Congress adequate yearly appropriations for that purpose.

XXXVIII. RIVER AND HARBOR IMPROVEMENT.

WILMINGTON BOARD OF TRADE.

WHEREAS, The National Board of Trade last year urged upon Congress the necessity for regular appropriations of not less than \$50,000,000 per annum for inland waterway improvement; and

WHEREAS, The Chief of Engineers has recommended to the Congress about to convene the appropriation for the next fiscal year of only \$32,000,000 for such purposes; therefore be it

Resolved, That the Wilmington Board of Trade again calls the urgent attention of the National Board of Trade to the necessity of obtaining from Congress a regular annual appropriation of not less than \$50,000,000 for the improvement of inland waterways, such improvements to be made as has already been recommended by President Taft, not in a piecemeal and incoherent manner, but in such a manner as to make when completed a continuous system of waterways adequate to the increased demands of water-borne commerce.

XXXIX. OWNERSHIP OF WATER TERMINAL FACILITIES.

WILMINGTON BOARD OF TRADE.

WHEREAS, The increase in our manufacturing, industrial and farming interests has grown to such proportions that the demand for improved waterways has become irresistible; and

WHEREAS, The various municipalities situated along these waterways cannot properly avail themselves of the advantages of transportation by water without the ownership of proper terminal facilities for all vessels engaged in such commerce; therefore be it

Resolved, That the Wilmington Board of Trade calls to the attention of the National Board of Trade the imperative need of all municipalities capable of using the improved waterways of the country, acquiring the immediate ownership of adequate terminal facilities, whether such ownership can be secured by purchase or shall have to be secured by condemnation proceedings, and of maintaining said terminal facilities open for the accommodation of all incoming and outgoing vessels.

XL. THE TARIFF.

BALTIMORE BOARD OF TRADE.

Believing that a revision of the tariff presents a question which cannot be fairly settled by a political body, such as Congress, without the guidance of expert investigation; be it

Resolved, That the Board of Trade of Baltimore favors the suggestion that the subject be referred to a non-partisan, uninterested and competent commission for its elucidation; be it further

Resolved, That we approve of considering individual schedules when making changes and of not considering all the items on the tariff list at one time.

XLI. TARIFF.

BALTIMORE CHAMBER OF COMMERCE.

Resolved, The National Board of Trade again places itself on record as favoring a revision of the tariff so as to readjust the duties to the great changes which have taken place in the economic condition of the nation. While recognizing that all interests, industrial, commercial and agricultural, should be considered, we think the burden of supporting the expenses of the Government is not at present equitably distributed, and urge Congress to respond to any measures which may be proposed by the Tariff Board or otherwise that will reform the present condition.

XLII. TARIFF BOARD.

BOSTON CHAMBER OF COMMERCE.

WHEREAS, The growing variety and complexity of our industrial and commercial activities has made the question of changes in the tariff a highly involved and technical one; and

WHEREAS, The wise handling of this great question which is of such vital concern to the business interests of the whole country, clearly demands continuous careful study and investigation by experts of well-known ability and training, in order that ample and reliable information as to the manifold aspects of the problem may be available when needed; and

WHEREAS, Scientific study and investigation of this kind must be provided for and maintained if the tariff is to be treated not as a political issue, but as a great economic problem which it has admittedly become; therefore be it

Resolved, That the National Board of Trade urge upon Congress the necessity of enacting such further legislation and providing such appropriations as will insure the continuance of a permanent Tariff Board.

XLIII. TARIFF ACT.

ITALIAN CHAMBER OF COMMERCE.

WHEREAS, The present minimum rates of Payne's tariff are the highest that have ever been enacted, and in order to demonstrate to the international commerce a healthy leaning toward reciprocity (as in the case of Canada); be it therefore

Resolved, That the Italian Chamber of Commerce recommend to the National Board of Trade to urge upon the Permanent Tariff Committee to the effect of proposing the abolition of said maximum tariff pending further legislation.

XLIV. TARIFF ACT.

ITALIAN CHAMBER OF COMMERCE.

WHEREAS, The law, by assessing duty on wines and liquors which—owing to leakage or breakage—have not actually, entered into the United States, taxes *imaginary* goods on *presumed*, but *not effectuated* importation; and furthermore

WHEREAS, Such action affects importers in a discriminatory way, as among them some pay duty on what they *really get*, and others on what they *expected* to, but did *not* get, and therefore did *not* enter for consumption; be it therefore

Resolved, That the Italian Chamber of Commerce recommend to the National Board of Trade to urge upon the Permanent Tariff Committee for proposing to Congress to amend the Tariff Act, which openly contradicts with the fundamental principle of the law (the taxing of imported goods) and discriminates between consignees receiving their shipments in good order and condition, and those who receive them more or less damaged, caused by breakage or leakage.

XLV. RECIPROCITY WITH CANADA.

NEW YORK PRODUCE EXCHANGE.

Wise statesmanship always leads to the cultivation of friendly, neighborly relations, and as the Dominion of Canada is one of our best customers and a large supply of many products needed in the United States; therefore be it

Resolved, That the National Board of Trade is in favor of a treaty of reciprocity with Canada and an exchange of products on basis of equality of tariff rates.

XLVI. TARIFF COMMISSION.

PHILADELPHIA CHAMBER OF COMMERCE.

WHEREAS, Our recent experience has confirmed all previous experience, that the business interests of this country should not be subjected to the disruption and loss consequent upon the wholesale or drastic change of the tariff, at any one time; therefore be it

Resolved, That it is the sense of the National Board of Trade that Congress should promptly create a Tariff Commission, to be com-

posed of experienced business men, to be appointed by the President, for the purpose of investigating the necessity of and recommending schedule changes along the lines lately suggested by President Taft.

XLVII. TARIFF.

SCRANTON BOARD OF TRADE.

Resolved, By the National Board of Trade that Congress be requested to amend Section 38 of the Tariff Law of 1909 (popularly known as the Corporation Tax Law), so that in clauses 1, 2 and 3 of paragraph 2, the words "actually paid" and "actually sustained" be changed to read "*actually incurred*" and "*actually ascertained*," and that the third clause be changed to read so that the return will be based on the last completed year prior to December 31st, in cases where the fiscal year of a corporation is not the calendar year.

XLVIII. NATIONAL TARIFF BOARD.

WILMINGTON BOARD OF TRADE.

WHEREAS, The changes made by the last session of Congress in our tariff laws have not proven satisfactory, and as there still exists a wide difference of opinion as to how our tariff laws should be adjusted, it would seem wise that the question of regulating and adjusting our tariff laws should, as far as possible, be removed from party politics; therefore be it

Resolved, That the National Board of Trade, in view of the excellent work already done by the present constituted Tariff Board, recommend that the present Board be made permanent, and that it be so constituted that it will be non-partisan in its character; and be it further

Resolved, That the National Board of Trade recommend to the present Congress the early enactment of a law to this effect.

XLIX. SETTLEMENT OF DAMAGE CLAIMS BY RAILROADS.

BALTIMORE CHAMBER OF COMMERCE.

WHEREAS, It is the custom of the railroads to settle claims for loss or damage on the basis of invoice price, holding that the amount of loss or damage for which the carrier is liable shall be computed on that basis; therefore be it

Resolved, That the National Board of Trade protests against this method of settlement of claims for loss or damage, and insists that

where property is damaged or destroyed through the negligence of the carrier, the owner shall be reimbursed for the loss sustained in replacement.

L. BILL OF LADING LEGISLATION.

BALTIMORE CHAMBER OF COMMERCE.

WHEREAS, The great staple crops of the country, also the products of the factory and mine can only move in interstate commerce under bills of lading; and

WHEREAS, Great laxity on the part of the carriers has heretofore existed in the issuance of bills of lading for valuable property and serious financial loss has been occasioned by accommodation bills of lading, and also on account of forged bills of lading, it is therefore essential that bills of lading should be, in every sense, bona fide and faithfully represent the facts therein stated, for the protection of the producer, the dealer, the financial institutions and the carriers, and as there has been passed by the House of Representatives and there is now pending before the Senate of the United States "A Bill relating to bills of lading (H. R. 17,267), known as the Stevens Bill," which has for its purpose the prevention of issuing irregular bills of lading of any kind; therefore be it

Resolved, By the National Board of Trade that it indorses Bill H. R. 17,267, relating to bills of lading now pending before the United States Senate, and earnestly recommends its speedy passage; and be it further

Resolved, That a copy of this resolution be sent to the President of the Senate, with a request that it be submitted to the Senate.

LI. BILLS OF LADING LEGISLATION.

MILWAUKEE CHAMBER OF COMMERCE.

WHEREAS, The laxity that is at present common in the issue of bills of lading, resulting in various forms of abuse and fraud, renders them exceedingly untrustworthy and therefore inadequate in the performance of the important functions which the handling of the commodities of this country impose upon them, thus failing utterly as a protection to the shipper, the banker and the carrier, which is the sole purpose of their existence.

Resolved, That the National Board of Trade strongly favors the passage of H. R. Bill 17,267, known as the Stevens Bill, now before the Committee on Interstate and Foreign Commerce of the Senate of the United States, which has for its object the regulation of the issue of bills of lading in such a way as to prevent irregular methods

in connection with their use, the safe conduct of the vast commerce of the country demanding a reform in the present bill of lading, which it is believed will result from the enactment of the Stevens Bill into law.

LII. RESPONSIBILITY OF CARRIERS IN THE ISSUING OF BILLS OF LADING.

NEW YORK PRODUCE EXCHANGE.

WHEREAS, The practice has grown in some sections of this country on the part of railroad companies, whereby bills of lading are sometimes issued in advance of receipt of the property; and

WHEREAS, Such bills of lading have in some cases been irregularly and fraudulently issued, entailing heavy losses on innocent holders and impairing the value of bills of lading as a basis for credit; be it

Resolved, That the National Board of Trade hereby urges upon Congress, the immediate enactment of a law placing upon the carriers full responsibility for the acts of their agents, and making the carriers responsible to the consignee or holder of an order bill of lading, who has acquired same in good faith and for value, for property described in all cases when such bill of lading is signed by an agent or authorized representative of the carrier.

LIII. UNIFORM CLASSIFICATION.

BALTIMORE CHAMBER OF COMMERCE.

WHEREAS, Discriminations against commodities and business interests, also localities, may result from improper or unfair classification of freight in the United States, and inasmuch as uniform classification of freight by the carriers is feasible; therefore be it

Resolved, That the National Board of Trade favors the compilation and adoption of a uniform classification of freights, subject to the approval of the Interstate Commerce Commission, both in its adoption and any changes therein.

LIV. SETTLEMENT OF DAMAGE CLAIMS BY RAILROADS.

NEW YORK PRODUCE EXCHANGE.

Resolved, That the National Board of Trade protests against the practice of carriers in compelling settlement of damage claims on the basis of invoice valuation or value of property at time and place of shipment and urges the Interstate Commerce Commission to require carriers to settle such claims on the basis of value at the time and

place of delivery; and if no delivery is made, then on the basis of value at the time and place when such delivery should, under normal circumstances, have been made. And further, that the National Board of Trade requests the Interstate Commerce Commission to direct that a provision to the above effect be embodied in the uniform bill of lading form now in general use by railroads.

LV. INTERNATIONAL ARBITRATION.

PHILADELPHIA CHAMBER OF COMMERCE.

Resolved, That the National Board of Trade reaffirms its belief that the destruction of wealth and the human misery attendant upon warfare may be greatly diminished by the extension of the method of arbitration in the settlement of disputes between nations, and further expresses the hope that the United States Government may find it expedient to initiate steps to bring about, by diplomatic negotiations, the organization of the proposed International Court of Arbitral Justice.

LVI. INTERNATIONAL ARBITRATION.

PITTSBURG CHAMBER OF COMMERCE.

Resolved, That the National Board of Trade reaffirms its belief that the destruction of wealth and the human misery attendant upon warfare may be greatly diminished by the extension of the method of arbitration in the settlement of disputes between nations.

LVII. NATIONAL ARBITRATION.

NEW YORK PRODUCE EXCHANGE.

Much misery and heavy monetary loss is yearly forced on employers of labor and employees by the present systems of strikes and lockouts.

The public also suffer severely and unnecessarily and bad blood is created between the well-to-do and the working man, which tends to destroy that feeling of good fellowship between all classes which it is the duty of every citizen to encourage.

We believe that it is time for the National Government to carefully consider if legislation cannot be enacted to mitigate the evil and possibly do away with it entirely.

Mandatory settlement of all labor disputes by a United States Government Commission, when corporations, firms, or individuals are doing an interstate business, seems the practical solution and should be feasible, as it has been practically worked out by other nations; therefore be it

Resolved, That the National Board of Trade calls the attention of the Attorney-General and Congress to this question, hoping that some action may be taken to prevent a continuance of this evil which has become a national disgrace.

LVIII. DIPLOMATIC AND CONSULAR SERVICE.

NEW YORK PRODUCE EXCHANGE.

The importance and value to our commercial interests of an efficient and well-equipped consular department is yearly becoming more and more pronounced, and we strongly urge upon Congress the necessity of passing such additional legislation as will keep this service at the highest possible standard of usefulness.

We consider political influence should be entirely eliminated in securing the necessary employees for this branch of Government work.

We indorse the recommendations passed last year advocating the opening of special classes in our leading universities for the careful education of young men desiring to enter the diplomatic and consular service, the graduates to be safe-guarded by receiving a diploma entitling them to register their names at the State Department and the Government securing by examination the man required from such list.

We urge an adequate advance in salaries paid to our consuls, approve of annual appropriations to purchase homes for our representatives abroad and recommend the department should be placed on a permanent basis of organization, promotions to be regulated solely by merit and service rendered.

LIX. COMMERCIAL EDUCATION.

PITTSBURG CHAMBER OF COMMERCE.

Resolved, That the National Board of Trade records its gratification of the marked improvement which has taken place in general methods of commercial education.

Resolved, further, That it is the sense of this Board that such instruction is desirable, not only in the higher institutions, but in public and preparatory schools, forming as it does a necessary part of the equipment of every business man.

LX. EXPORT TRADE.

NEW YORK PRODUCE EXCHANGE.

The diminishing volume of our exports in cereals and crude products and the certainty that they cannot increase, owing to the con-

stantly growing home demands, make it imperative to develop exports in manufactured goods to a large extent if the balance of trade is to be maintained in favor of this country; therefore be it

Resolved, That the National Board of Trade urges upon Congress and the various departments of the Government to afford all possible assistance by the removal of unnecessary restrictions on export business that hamper its development, and by the securing and dissemination of reliable information as to requirements and customs of all countries with which the United States engages in reciprocal trade.

LXI. EXPORT TRADE.

PHILADELPHIA COMMERCIAL MUSEUM.

WHEREAS, Events of the past year have completely verified the statement of our foreign trade conditions made at the last meeting of this Board, concerning the steady and inevitable reduction in our exportable balance of foodstuffs and the rapid increase of our industrial productivity;

Resolved, That the National Board of Trade restates its belief that the foreign trade is to be one of the most important factors in the future prosperity of the United States, and calls for every encouragement, in principle and in detail, which the Congress can devise.

LXII. PROMOTION OF TRADE WITH LATIN AMERICA.

PITTSBURG CHAMBER OF COMMERCE.

Resolved, That we favor the establishment of closer relations of friendship and commerce with the Latin American republics and earnestly urge Congress to enact such measures as may promote every worthy undertaking in this direction. We heartily approve the splendid efforts of the International Bureau of American Republics, now the Pan-American Union, to unite the peoples of both continents in perfect accord and harmonious endeavor for mutual advantage, and we record with greatest satisfaction our cordial appreciation of the magnificent and self-sacrificing labors of the Hon. John Barrett, director of the Union, in furthering the high purposes for which it was established.

LXIII. NATIONAL BANKRUPTCY ACT.

ITALIAN CHAMBER OF COMMERCE.

WHEREAS, The rights of creditors are not, at present, properly protected in cases where part or the entire stock of goods is sold in bulk by retailers with the intention of defrauding; and furthermore

WHEREAS, The necessity of granting more protection to creditors has been felt in many States to such an extent as to induce several of them to pass analogical laws; be it therefore

Resolved, That the Italian Chamber of Commerce recommends to the National Board of Trade to urge upon Congress the amendment of the National Bankruptcy Act, to secure full protection to legitimate trade.

LXIV. NATIONAL BANKRUPTCY ACT.

ITALIAN CHAMBER OF COMMERCE.

WHEREAS, Bankrupts only too often resume business under their own name or firm style, previously used, even in cases where there has been no amicable composition or satisfactory settlement with creditors; be it therefore

Resolved, That the Italian Chamber of Commerce recommend to the National Board of Trade to urge upon Congress the amendment of the National Bankruptcy Act in such a way as:—

a.—To enhance the requirements for granting discharge from bankruptcy and

b.—To restrain discharged bankrupts resuming business, from using the previous name or style,
both provisions in cases as above referred to.

LXV. NATIONAL PURE FOOD AND DRUG ACT.

ITALIAN CHAMBER OF COMMERCE.

WHEREAS, A compound food product, imitating a *genuine* one, intended to compete by reason of lower price and not of better, or at least, equal quality, is an *adulterated* article, and thus not entitled—no matter if accompanied by the statement of being a compound—to bear the name or any corresponding or relative name by which the genuine product is generally known, accepted and used; and furthermore

WHEREAS, Consumers are unavoidably deceived by the similarity of the name, pertaining to the genuine product, given to the adulterated substitute, more specially in cases of its constituents being of heterogeneous nature; be it therefore

Resolved, That the Italian Chamber of Commerce recommend to the National Board of Trade to urge upon Congress for amending the National Pure Food and Drug Act to the effect that the sale of adulterated products, under any deceiving form, be positively prohibited.

LXVI. GOVERNMENT INSPECTION OF GRAIN.

BALTIMORE CHAMBER OF COMMERCE.

WHEREAS, There has again been introduced in Congress a bill (S. 121) providing for Federal inspection of grain under the National Government; and

WHEREAS, The passage of any measure seeking to control or change the present method of grain inspection conducted by the commercial exchanges can only result in injury to the grain trade of this country, which has been developed by those having the greatest interest in it; therefore be it

Resolved, That the National Board of Trade in reaffirming its previous action in this connection is unalterably opposed to Federal inspection of grain, believing it will be detrimental to every interest identified with the American grain trade, and will tend to advance the business of foreign grain producing countries, which are seeking every advantage to increase their grain trade by the displacement of American products in the markets of the world.

LXVII. IMMIGRATION.

PITTSBURG CHAMBER OF COMMERCE.

Resolved, That the National Board of Trade recommends that stations for the reception of foreign immigrants be established by the United States Government at one or more South Atlantic or Gulf coast ports, in order to more equitably distribute immigration from countries and to relieve the congestion of our Eastern coast cities.

LXVIII. ENFORCEMENT OF TREATY OBLIGATIONS.

PHILADELPHIA BOARD OF TRADE.

WHEREAS, Treaties with foreign powers, executed by the United States Government and ratified by the United States Senate, become the supreme law of the land; therefore

Resolved, That Congress should adopt such legislation as will enable the Government to comply with any treaty obligations that may exist for the protection of the life and property of citizens of foreign powers.

LXIX. PUBLIC HEALTH.

SCRANTON BOARD OF TRADE.

WHEREAS, The preservation and safeguarding of the public health is a matter of direct and vital concern to the entire nation and must

ever be a question of paramount importance to all our people, and believing that a matter of such far-reaching concern is a legitimate subject for discussion by the National Board of Trade; therefore be it

Resolved, That the National Board of Trade expresses itself as favoring the enactment by Congress of a law which shall place under National control, with respect to the preservation and safeguarding of the public health, all interstate water courses.

LXX. FACILITIES FOR MARKETING AGRICULTURAL PRODUCTS.

CHICAGO BOARD OF TRADE.

WHEREAS, The principal commercial exchanges of the United States are intimately and vitally related to the industrial and financial interests of the entire country; therefore

Resolved, That any impairment of the facilities which they have provided for the rapid and economical marketing of agricultural products in the interest of buyer and seller, producer and consumer alike, and which facilities conduce more than any other agency or instrumentality to the general prosperity, would result in irreparable injury to the common commercial and industrial welfare.

LXXI. ADMINISTRATION OF THE PATENT LAWS.

BOSTON CHAMBER OF COMMERCE.

WHEREAS, The United States Circuit Court of Appeals, the decisions of which are in a practical sense final in patent cases, are independent tribunals, each treating the decisions of the others with the same amount of respect as precedents that the Supreme Court of one State does to decisions of the Supreme Courts of other States, but being under no obligation to follow the decisions of any of the others; and

WHEREAS, The result is that in patent cases we have in effect nine independent Circuit Courts—one for each judicial circuit; and

WHEREAS, Right created by a patent is coextensive with the United States, and it is essential that a patent if valid, should be upheld, construed and enforced alike in all parts of the country, and if invalid, be so adjudged for all parts of the country, in order that the people of the United States may freely enjoy the privileges from which the owner of the invalid patent seeks to deprive them; and

WHEREAS, There is no other department of law in which so many nicely balanced questions have to be decided as in the trial of patent

cases, and not any in which disagreements among judges are so unavoidable; and

WHEREAS, It is impossible for the United States Circuit Courts of Appeals because of their conflicting decisions, to provide that consistency and uniformity in interpreting the law which is indispensable to justice; and

WHEREAS, To restore the right of appeal in such cases to the United States Supreme Court is impracticable; even if it were wise, for it is impossible for the United States to take on any more work than it is now doing; and would be unwise, even if it were practicable, because it would prolong the delay and increase the expense of patent litigation by giving to appeals in place of the one now available; and

WHEREAS, This is a grave defect in the administration of the patent law; and

WHEREAS, There is but one remedy—a single court of last resort in patent cases; therefore be it

Resolved, That a wise administration of the patent law now and in the years to come requires the vesting of the final jurisdiction in such cases in the hands of a single court, equipped with judges of the highest qualifications obtainable for the special work committed to them, and so organized that it will be adequate to the present business and capable of growth in the future by more additions to the number of judges, thereby securing the inestimable blessing of unity and harmony in the patent law of the United States.

LXXII. PROPOSED AMENDMENTS TO CONSTITUTION AND BY-LAWS.

BOSTON CHAMBER OF COMMERCE.

Every European country which has made notable advances in commerce and industry in recent years has been aided greatly in its progress by a strong National organization of the business and commercial associations of that country, having at its command sufficient financial resources to ensure its ability to undertake any necessary work.

The United States of America should have one great National organization—and only one. It should include in its membership every business and commercial organization of any responsibility or standing in the country. Each organization should contribute to the treasury of the National body and the aggregate contributions should be large enough to enable it to render to every constituent member effective service, the value of which would far outweigh any contribution made.

The National Board of Trade is the body in the United States which should represent these essentials of a successful organization. It has been established for many years and is widely known for the useful work to which it has given its attention. It should have the hearty support of every business organization in the country, and the time has come when steps should be taken to secure the co-operation and support of every such organization.

To make certain its success in an effort to bring this about, it would seem that certain changes in the present By-Laws of the organization would be of great advantage. Changes which would secure greater co-operation between the National Board of Trade and the Government, give the constituent members of the Board a more direct voice in the management of its affairs and open up the way for greater activity of the National body, through greater financial resources would seem to aid in securing the objects for which the association was founded.

These amendments should be so framed as:—

I. To establish closer relations between the National Board of Trade and the United States Government by providing that the President of the United States may appoint three members of an enlarged Board of Directors, such board to be known as the Board of Directors, instead of Board of Managers. (This should be supplemented later by an Act of Congress authorizing the incorporating of the board.)

II. To provide that there shall be fifteen (15) members of the Board of Directors elected by the constituent members of the organization at annual meetings; that the officers shall be ex-officio members of the board, and also the three additional members appointed by the President of the United States.

III. To provide that the annual meeting shall elect a nominating committee of nine (9), which shall present nominations of officers and members of the Board of Directors, with suitable provision for the making of independent nominations on the part of the membership.

IV. To provide that vacancies in the council shall be filled by the Board of Directors and that the regular and special committees shall be appointed by the Board of Directors.

V. To provide that in the interim between meetings of the council or membership, the Board of Directors may refer any pressing questions which may arise to the council by mail for its advice thereon.

VI. To provide that the delegates present at each annual meeting shall determine the place of the next annual meeting, and that the Board of Directors shall fix the time when such meetings shall be convened.

VII. To confine the membership to commercial and manufacturing associations and organizations.

VIII. To provide for a slight increase in dues of the smaller organizations and a larger contribution than at present from the organizations having a greater membership.

IX. To provide that the voting power of organizations now entitled to a considerable number of votes be somewhat reduced, in proportion to the number of delegates they send to annual meetings.

X. To provide that all yea and nay votes on any matter considered at the annual meeting may be ordered upon demand of one-fourth of the delegates present, and that on all yea and nay votes each member shall be entitled to as many votes as it has delegates present, and one-half of the additional number of delegates which such members are entitled to send to the meeting.

XI. To provide that all propositions to be submitted for discussion at an annual meeting shall be sent to each constituent member at least twenty (20) days prior to each annual convention, so that such members may have due notice of the subjects which are to be considered.

LIST OF COMMITTEES.

The PRESIDENT.—Following the suggestions and instructions received from the various constituent bodies as to their wishes for representation upon particular committees, the Chair has, as far as possible, appointed the gentlemen thus suggested. The Secretary will read the list of appointments on these committees, and the Chair desires it to be understood that it will be considered perfectly in order for any gentleman present to ask for a change in the membership of the committee or to add another name.

The Secretary announced the list of committees, which, embodying various changes suggested by delegates, is as follows:—

CREDENTIALS.

ALBERT M. READ, Washington; WALTER B. LIVEZEY, Newport News; PHILIP GODLEY, Philadelphia.

AMERICAN MERCHANT MARINE, PROPOSITIONS
I TO V.

W. H. DOUGLAS, New York; JOHN G. CROXTON, Philadelphia; F. L. HITCHCOCK, Scranton; ROBERT N. HARPER, Washington; JOHN S. LAWRENCE, Boston; EDWARD H. HORWOOD, Hoboken; W. B. LIVEZEY, Newport News; G. WALDO SMITH, New York; Hon. JOSEPH A. GOULDEN, New York; E. R. WOOD, Philadelphia; ROBERT RAMSAY, Baltimore.

CONSERVATION OF NATURAL RESOURCES,
PROPOSITIONS VI TO X.

R. G. BICKFORD, Newport News; H. C. REYNOLDS, Scranton; E. STANLEY GARY, Baltimore; WILLIAM S. HARVEY, Philadelphia; WILLIAM P. HUBBARD, West Virginia; CHAS. S. HAMLIN, Boston; E. J. FURLONG, Milwaukee; GUY E. MITCHELL, Washington; CHARLES D. WALCOTT, Washington; B. FRANK HOWARD, Chicago.

CURRENCY AND BANKING, PROPOSITIONS
XI TO XVII.

JOHN M. NELSON, Baltimore; LOUIS MULLER, Baltimore; ALEXANDER GILBERT, New York; J. P. TRUESDELL, New York; F. L. HITCHCOCK, Scranton; JOHN JOY EDSON, Washington; JOHN S. ROSSELL, Wilmington; FINLEY ACKER, Philadelphia; J. J. SULLIVAN, Cleveland; HARRISON NESBIT, Pittsburg; WALLACE M. BELL, Milwaukee; W. T. ROLPH, Philadelphia; E. R. WOOD, Philadelphia.

POSTAL AFFAIRS AND PARCELS POST, PROPOSITIONS XVIII TO XXVII.

EDGAR L. HAYNES, Wilmington; FINLEY ACKER, Philadelphia; T. JAMES FERNLEY, Philadelphia; CHARLES J. COHEN, Philadelphia; E. H. HORWOOD, Hoboken; S. B. AYRES, New York; GEORGE S. SMITH, Boston; JOHN ASPEGREN, New York; GEO. T. MCINTOSH, Cleveland; GEORGE H. MAXWELL, Chicago; G. WALDO SMITH, New York; WALLACE M. BELL,

Milwaukee; H. C. REYNOLDS, Scranton; ALBERT McCULLOUGH, Cincinnati; W. H. STEVENSON, Pittsburg.

RIVERS AND HARBORS IMPROVEMENT, PROPOSITIONS XXVIII TO XXXIX.

GEORGE H. MAXWELL, Chicago; WELDING RING, New York; Dr. A. P. FARDON, Washington; HOWELL S. ENGLAND, Wilmington; W. T. ANDERSON, Norfolk; CHARLES H. BRECK, Boston; F. E. HAGEMEYER, New York; ALBERT McCULLOUGH, Cincinnati; A. J. LOGAN, Pittsburg; J. D. O'NEIL, Pittsburg; G. WALDO SMITH, New York; CHARLES ENGLAND, Baltimore.

TARIFF AND RECIPROCITY, PROPOSITIONS XL TO XLVIII.

JOHN G. CROXTON, Philadelphia; WM. D. MULLEN, Wilmington; ADOLPH LANKERING, Hoboken; E. STANLEY GARY, Baltimore; E. R. CARHART, New York; HENRY G. DAVIS, West Virginia; W. C. NIMMO, Washington; E. L. ROGERS, Philadelphia; W. W. ROBERTSON, Norfolk; JOSEPH PERSONENI, New York.

RAILROAD TRANSPORTATION, PROPOSITIONS XLIX TO LIV.

N. B. KELLY, Philadelphia; H. C. REYNOLDS, Scranton; H. T. NEWCOMB, Washington; J. HARRIS JONES, New York; CHARLES ENGLAND, Baltimore; PALMER CAMPBELL, Hoboken; R. G. BICKFORD, Newport News; WM. D. MULLEN, Wilmington; J. C. TAYLOR, Chester; CLINTON WHITE, Boston; MARSHALL CUSHING, Chicago; CLARK FAGG, Milwaukee; Hon. GEORGE C. STURGISS, West Virginia; R. S. LYON, Chicago; E. R. CARHART, New York.

EXPORT TRADE AND DIPLOMATIC AND CONSULAR RELATIONS, PROPOSITIONS LV TO LXII.

W. H. DOUGLAS, New York; FINLEY ACKER, Philadelphia; G. WALDO SMITH, New York; A. M. JENKINSON, Pitts-

burg; ADOLPH LANKERING, Hoboken; FRED. P. FISH, Boston; LOUIS MULLER, Baltimore; PALMER CAMPBELL, Hoboken; WELDING RING, New York; H. A. PLUMB, Milwaukee; J. N. PEW, Philadelphia; WILLIAM P. WILSON, Philadelphia; GEORGE E. ROBERTS, Washington.

NATIONAL BANKRUPTCY ACT, PROPOSITIONS
LXIII AND LXIV.

ACHILLE STARACE, New York; W. T. ROLPH, Philadelphia.

NATIONAL PURE FOOD LAW, PROPOSITION
LXV.

MIERS BUSCH, Philadelphia; ACHILLE STARACE, New York.

GOVERNMENT INSPECTION OF GRAIN, PROPOSITION
LXVI.

CHARLES ENGLAND, Baltimore; B. FRANK HOWARD, Chicago.

IMMIGRATION, PROPOSITION LXVII.

ROBERT RAMSAY, Baltimore; JAMES A. MCKIBBEN, Boston.

ADMINISTRATION OF PATENT LAWS, PROPOSITION
LXXI.

FREDERICK P. FISH, Boston; H. C. REYNOLDS, Scranton.

EXTENSION OF INFLUENCE OF NATIONAL
BOARD OF TRADE.

A. T. ANDERSON, Cleveland; CHARLES ENGLAND, Baltimore; EDWARD A. FILENE, Boston; JOHN H. FAHEY, Boston; F. L. HITCHCOCK, Scranton; W. B. LIVEZEY, Newport News; GEORGE H. MAXWELL, Chicago; A. M. READ, Washington;

GEORGE F. STONE, Chicago; JOHN P. TRUESDELL, New York;
WILLIAM R. TUCKER, Philadelphia.

BANQUET.

Mr. READ, of Washington.—Gentlemen, as Chairman of the Banquet Committee, I would like to announce that the dinner of the organization will be served to-morrow evening at 7.30 o'clock, in the red dining room of this hotel. Tickets can be obtained at Room 938, from my friend, Mr. Tibbitts, who is acting for me, as I shall have to be absent part of the time. The price of each ticket is \$7.50, and the quicker you get your tickets the sooner I shall be able to announce to the hotel management the number it will have to care for. If those of you who wish tickets—and I suppose all of you do—will get them to-day, it will be of very great help to the committee.

ORDER OF BUSINESS.

Mr. CARHART, of New York.—I move that the calling for committee reports be in the order in which they are printed on our committee list, and if, when a committee is called it should not be ready, then the name of that committee shall go to the foot of the list.

The PRESIDENT.—Would not the effect of that be rather to retard business than to hasten it? Would it not be better to take up committee reports by unanimous consent?

Mr. CARHART.—This is the method that was pursued last year. I make the motion in the interest of expedition of our business.

The PRESIDENT.—In the interest of order and expedition, Mr. CARHART offers the motion that when the Secretary calls for reports from the various committees, he shall call

them in the order in which they are printed on the official list of committees, and if, when a committee is called, the Chairman of the committee is not ready to submit his report, the next one in order shall be called, and the committee which was not ready will have to go to the bottom of the list. Is that a correct statement of the motion, Mr. CARHART?

Mr. CARHART.—That is correct.

Mr. FAHEY, of Boston.—Would it not be better to proceed by unanimous consent?

The PRESIDENT.—Mr. CARHART's motion is now before the Board.

The motion was agreed to.

COMMITTEE ON NOMINATIONS.

Mr. VIAUX, of Boston.—It has been suggested to me that the list of committees is not complete, lacking a Committee on Nominations of Officers for the ensuing year. I move such a committee.

The motion was agreed to, and the Chair announced the Committee on Nominations, as follows:—

F. H. VIAUX, of Boston, *Chairman*; W. T. ROBINSON, of Philadelphia; J. C. F. MERRILL, of Chicago; CHARLES J. ENGLAND, of Baltimore; A. J. LOGAN, of Pittsburg; ACHILLE STARACE, of New York.

ELECTION OF THE COUNCIL.

The PRESIDENT.—We have always had a little trouble about getting the council nominated, in consequence of the rush and suggestion of business on the last day of our meeting. The Chair ventures to suggest, therefore, that as the Secretary calls the names of the Boards, delegates will nom-

inate the man they want, and the nominees in each case will be appointed on the council by the Chair.

The Secretary proceeded to call the roll for the purpose of having nominations made for members of the council. The following-named are the members of the council, as selected by the Board and appointed by the President, as provided in Section 2, Article VI, of the Constitution:—

- American Seed Trade Association, CHARLES H. BRECK.
- American Warehousemen's Association, ALBERT M. READ.
- Baltimore Board of Trade, JOHN M. NELSON.
- Baltimore Chamber of Commerce, LOUIS MULLER.
- Boston Chamber of Commerce, FREDERICK P. FISH.
- Central Supply Association, GEORGE H. GORTON.
- Chester Board of Trade, J. C. TAYLOR.
- Chicago Board of Trade, B. FRANK HOWARD.
- Chicago Open Board of Trade, CLARENCE G. BOGART.
- Cigar Manufacturers' Association of America, A. M. JENKINSON.
- Cleveland Chamber of Commerce, A. T. ANDERSON.
- Galveston Chamber of Commerce, JENS MOLLER.
- Hoboken Board of Trade, EDWARD H. HORWOOD.
- Italian Chamber of Commerce, ACHILLE STARACE.
- Milwaukee Chamber of Commerce, EDWARD J. FURLONG.
- National Hardware Association, T. JAMES FERNLEY.
- National Irrigation Association, GEORGE H. MAXWELL.
- Newport News Chamber of Commerce, WALTER B. LIVEZEY.
- New York Board of Trade and Transportation, G. WALDO SMITH.
- New York Produce Exchange, JOHN P. TRUESDELL.
- Norfolk Board of Trade and Business Men's Association, WM. T. ANDERSON.
- North Side Board of Trade, CHARLES E. REID.
- Philadelphia Board of Trade, E. R. WOOD.
- Philadelphia Bourse, PHILIP GODLEY.
- Philadelphia Chamber of Commerce, FINLEY ACKER.
- Philadelphia Commercial Exchange, E. L. ROGERS.
- Philadelphia Commercial Museum, WM. S. HARVEY.

Pittsburg Chamber of Commerce, W. H. STEVENSON.
Scranton Board of Trade, F. L. HITCHCOCK.
Washington Board of Trade, A. P. FARDON.
West Virginia Board of Trade, HENRY G. DAVIS.
Wilmington Board of Trade, WM. D. MULLEN.

DEATH OF EGISTO MARIANI.

Mr. STARACE, of New York, offered the following resolutions, which were adopted unanimously:—

WHEREAS, We have learned with regret of the death of Mr. EGISTO MARIANI, who was a conspicuous participant in the National Board of Trade, rendering his valuable co-operation to the interests of this organization; and

WHEREAS, Mr. MARIANI, who was the Vice-President of the Italian Chamber of Commerce at New York, was an upright business man and an honor to America, his adopted country;

Resolved, That the National Board of Trade offers its condolence and sympathy for the loss sustained by his family and the Chamber of Commerce; and

Resolved, further, That a copy of these resolutions be sent to his wife and to the President of the Italian Chamber of Commerce of New York.

Mr. STARACE.—The eloquent sentiments of sympathy expressed by our esteemed President, Mr. LA LANNE, concerning the death of one of our members have touched me deeply, and I wish to offer you, Mr. President, my heartfelt thanks in behalf of the Italian Chamber of Commerce of New York, which I have the honor to represent here, and of which Mr. MARIANI was the worthy Vice-President.

Mr. MARIANI was a good father; he was honest and active in business; in fact, he was a self-made man, which I believe is saying everything.

Mr. MARIANI was a native of Italy, and, of course, he loved his country, but above all, he had the greatest love and admiration for America, his adopted country, where he lived for nearly half a century.

I now thank you again.

At 2.10 o'clock P. M. the Board took a recess until 8 o'clock P. M.

EVENING SESSION.

TUESDAY, JANUARY 17TH.

The PRESIDENT.—Gentlemen, the business before the meeting is to receive reports from committees.

The SECRETARY.—The order of business adopted was to call for the reports and those that were not ready were to go to the foot of the list, unless otherwise ordered.

The PRESIDENT.—The Chair is ready now to hear reports under the order of business adopted on motion of Mr. CARHART, of New York.

The Secretary proceeded to call the committees.

NATIONAL BANKRUPTCY ACT.

Mr. ACHILLE STARACE, of New York, submitted the following report from the Committee on Bankruptcy:—

Your committee, to whom were referred suggestions from the Italian Chamber of Commerce of New York, in regard to sundry matters pertaining to the present National bankruptcy law, respectfully recommend to the National Bankruptcy Committee of the House of Representatives that better protection to the honest debtor and also the creditor be made, and that inequalities in the present law be so remedied that the discharge of dishonest and fraudulent bankrupts who have designedly concealed their assets be strictly guarded against, as your committee is of opinion that the present law is too liberal in this feature, and is also accelerated by the Bulk Sales Law, the law being too favorable at present to this class.

ACHILLE STARACE,
WM. T. RALPH,
Committee.

The PRESIDENT.—You have heard the report of the Committee on National Bankruptcy Acts. Is that a unanimous report?

Mr. STARACE.—Yes sir. I move its adoption.

The report of the committee was adopted.

NATIONAL PURE FOOD LAW.

Mr. STARACE, from the Committee on National Pure Food Law, submitted the following report:—

Your committee, assigned to the consideration of Subject LXV, National Pure Food and Drug Act, respectfully reports that it considers the National act a great step forward in establishing new standards for the protection of the business community and the public.

Experience, however, has shown defects in the language of the act, and the system of administration has produced too much litigation, too many prosecutions, and some conflicting decisions. At the same time, the permission to label goods in special ways, such as compound, often defeats the purpose of the act.

Your committee recommends that the Congress should in the near future reconstruct this act, profiting by experience already gained, and hopes for a model law that can be copied by the various States, so as to secure uniformity.

The business interests of the country have co-operated to a great extent in assisting the officers of the National Government charged with enforcing this act, and future legislation should be so constructed that, while preventing imitations being offered for sale, it will not hamper the legitimate trade of the country.

ACHILLE STARACE,
MIERS BUSCH.

The report of the committee was adopted.

ORDER OF BUSINESS.

The SECRETARY.—The next committee is Government Inspection of Grain. Is that ready to report?

A DELEGATE.—It is ready, but the Chairman is not here.

The SECRETARY.—Is the Committee on Immigration ready?

The PRESIDENT.—There is no response.

The SECRETARY.—Committee on Administration of Patent Laws. Mr. FISH has charge of that and he will be back in a little while. Now, gentlemen, we have gone over the list of committees once.

AMERICAN MERCHANT MARINE.

Mr. W. H. DOUGLAS, from the Committee on American Merchant Marine, made the following report:—

The National Board of Trade:—

Your Committee on American Merchant Marine begs to reaffirm the resolutions passed last year by the National Board of Trade as follows:—

The National Board of Trade believes that our greatest commercial question involving the interest of the entire country is the recreation of the American merchant marine, and it deplors that no action has been taken by Congress.

The carrying trade of the United States is practically monopolized by aliens who have established their lines from its ports to all parts of the world.

The Board advocates that proper encouragement be given to creating an American-built steam and sail tonnage so necessary to the extension and protection of the commercial growth of the country.

An adequate merchant marine is of inestimable value in times of peace, and absolutely essential in times of war; therefore, be it

Resolved, By the National Board of Trade:—

First.—That in our judgment the commercial interests of the country require prompt legislation, such as will result in the re-establishment of the American merchant marine.

Second.—That we ask of Congress not only the immediate establishment of American owned and managed mail and freight lines to our dependencies and the leading commercial countries of the world, but also proper legislation which will enable our citizens to build, operate and maintain steamers and sailing vessels on an equal footing with any other maritime power.

WM. HARRIS DOUGLAS, *Chairman*,
W. B. LIVEZEY,
E. R. WOOD,
EDWARD H. HORWOOD,
G. WALDO SMITH,
JOHN G. CROXTON,
F. L. HITCHCOCK.

Mr. DOUGLAS, of New York.—In regard to this report, I would like to say just a word. My only excuse for saying even a few words is my intense interest in the American merchant marine and the fact that I never lose an opportunity, if it presents itself, to speak in favor of the re-establishment of American commerce on the seas.

I am glad to say that this organization, the National Board of Trade, has always been as loyal to the idea of re-establishing American shipping on the ocean as they have been loyal to the development of our commercial interests on land, and we have been stout advocates in demanding that some action be taken by Congress to bring about a better condition.

Last year I had the pleasure, through the courtesy of the Board, to make an address covering the points at issue. Therefore I will not refer to them again this evening, leaving it to others who may speak, I hope, to throw some light on the great necessities which confront us.

I look upon the fact that we have no merchant marine as one of the broken links in the chain of prosperity which this country so greatly enjoys, and I believe, unless we are mindful of the warnings which have been so forcibly put before the American people, and unless Congress is also mindful of the requests which have been made, and the chain in this weak point is not strengthened, that this country will awaken some day to seriously regret that action has not been taken before and that we will suffer greatly in a business way through our neglect.

I hope that some of the gentlemen present will say a few words on this subject, as I think one or two of them promised to do, including Mr. WOOD, if he is present.

The PRESIDENT.—Is Mr. WOOD here?

Mr. DOUGLAS.—I think Mr. WOOD said he would speak on the subject. Before closing, I would ask, however, that the report should be presented to the meeting as read, after debate has taken place.

The PRESIDENT.—Mr. WALDO SMITH has the floor.

Mr. G. WALDO SMITH, of New York.—Thus suddenly and unexpectedly called upon to speak on a subject with which

I used to be familiar, but have not thought about for some time, I happen to find an article that I once wrote for one of the New York papers, which, with your permission, I will now read rather than make any other remarks.

The PRESIDENT.—I remember that article. It was very strong.

Mr. WALDO SMITH read the following paper:—

While for the last few months the one question that has seemed to occupy the public mind almost to the exclusion of all others has been that of tariff revision and while Congress has been called to an extra session in order to consider and act upon it, yet there is another great public question about which little has been said in the public press and to which very little attention has been given, and yet it is one of supreme importance and one in which every good American should be greatly interested.

It seems to me that it is very humiliating to our National pride to know that our merchant marine, once so prosperous and once occupying such a dominant position on the waters of the earth, should have nearly reached the vanishing point and that the American flag that once could be seen flying from the mizzen peak of our merchantmen in every port in all the world was not seen by any of the 15,000 sailors who made up the crew of the great naval fleet that has just returned from its voyage around the entire earth.

While we have conceived and carried out the greatest naval voyage ever made by any nation of the world, yet it is humiliating to know that the voyage could not have been made without the aid of 27 foreign ships that had to be employed to wait upon our ships and supply them with coal and other commodities that were required to make the voyage possible, and if the transports had been called home by their own government for any purpose, our great navy would have been left in a helpless condition in some far distant port.

In 1810, with a population of 7,200,000 and with an accumulated wealth of one billion of dollars, we had 981,619 tons of American-built vessels sailing under the American flag, manned by American sailors and carrying more than 90 per cent. of our foreign trade; while in 1904 with a population of 80,000,000 and an accumulated wealth of 116 billion of dollars, we had but 888,628 tons of ships engaged in the same trade with more than 90 per cent. of the business being done by foreign ships.

While in Washington in January last I heard a member of the National Board of Trade say that there would be more than 4,000,000 barrels of cement needed to finish the Panama Canal, and that all or nearly all, would have to be carried in foreign ships. There are many other points of the same nature that could be stated, but let

these suffice to show to what a low condition our merchant marine has fallen. The causes of this decline are many and diverse. Ships can be built abroad for from 20 to 40 per cent. less than we can build them here. Wages paid to foreign sailors are much less than our ship owners have to pay and the food used on foreign ship costs much less than that used by American seaman, and in addition to all this foreign nations that have succeeded in building up a large ocean carrying trade have given a subsidy or subvention to all or nearly all ships so employed, and some nations have paid a certain amount per ton for all ships built for this purpose. This has resulted in making us pay the enormous sum of \$150,000,000 per annum to the owners of foreign ships for carrying our export and import trade, our passengers and our mails. This is but one of the great losses we have sustained. Suppose one of our great department stores in New York city should give up doing their own delivery business and should depend upon a rival concern on the opposite side of the street to do it for them; how long do you suppose it would be before their business would begin to suffer and decline? Complaints would soon be heard of tardy delivery, of broken packages and of lost goods, and the business would suffer for the want of a first-class delivery system under their own control. This is one of the great obstacles we have to contend with in trying to build up our export trade, as more than 90 per cent. of the goods we sell abroad have been sent by a foreign delivery system. The ships that do all this business are built and owned abroad, and all supplies are furnished by foreign merchants, as the only thing they buy in America is coal. They buy nearly all their supplies in the home markets, bring them here and place them in bonded warehouses and withdraw them when needed, and thus we see it is that but a very little of the money earned by carrying American merchandise is spent in America.

The officers, managers and clerks who transact their business are aliens almost to a man.

I have sailed over many seas in the ships of the North German Lloyd and the Hamburg-American lines, and in every port we have entered we have always found that they maintained an office manned by German managers and clerks. Suppose we had our line running to foreign ports; how many of our bright intelligent, ambitious young men could find a splendid career in filling positions in foreign ports that our merchants would have at their disposal.

Anyone at all familiar with the history of England during the eighteenth century, and even to this day, knows that thousands of their best young men were sent to India, China and elsewhere as representatives of their great commercial houses, and that they often achieved high positions and great success.

Suppose that the vast sum now paid to foreign ship owners could be spent in building and running our own ships, what an impetus

it would give to our own industries. I have seen a list of more than 400 different industries that are employed in building a great ship, including the barber, who shaves the builders, and their laundryman, who washes their clothes.

No one can deny that the conditions are very unfortunate and that every possible effort should be made to recover our fair share of the ocean-carrying trade.

A number of years ago this question of free ships was considered a great deal by commercial bodies and some effort was made to secure the passage of an act that would give our merchants the rights to buy ships abroad and give them an American register.

About twenty years ago the matter was brought up before the Board of Trade and Transportation. Mr. John Roach, one of our famous shipbuilders, with others was there to oppose it. The matter was discussed for four special sessions of the Board and every argument that could be used on either side was advanced. In the beginning I was in favor of the movement and spoke in its interest, but after I had heard all that was said I changed my mind and voted with a large majority against the proposition, and the conclusion was reached that we not only wanted to own our own ships, but to build them as well. Since that time I have heard but very little about free ships, either in the commercial bodies to which I have belonged or in the public press.

About eighteen years ago an organization was formed which was called the American Shipping and Commercial League, of which General Wheeler, of Alabama, was president and Captain Ambrose Snow and Mr. Arthur Sewell were vice-presidents. A number of conventions were held, some of which I attended. A law was finally proposed providing for a subsidy of 30 cents per ton for every thousand miles sailed between an American and a foreign port. It passed the Senate and failed passage of the House for lack of three votes. If this bill had become a law it would without doubt have restored our merchant marine to its normal condition, and added greatly to the wealth and prosperity of the whole country. During the year 1903 the Board of Trade and Transportation took up the question again and under the leadership of Aaron Vanderbilt, Darwin R. James, Oscar S. Straus and others, brought to a successful conclusion a movement which resulted in the appointment of a Congressional Committee composed of five Senators and five members of the House with Senator Gallinger as chairman. They were instructed to investigate carefully the entire subject and if possible to agree upon a bill that would best promote the object sought. They gave hearings in a large number of places on the Atlantic, Gulf, the Pacific and Lake coasts, and held a continuous session in Washington, beginning November 22d, and lasting until December 12, 1903.

After listening to all the testimony given, there can be no doubt that this commission had a broader and more intelligent and more comprehensive knowledge of the entire subject that was ever enjoyed by any body of men before. Among the great many things they learned I will only enumerate a few.

They learned that Italy granted construction and navigation bounties to all vessels both steam and sail, and that Austria-Hungary, Holland, Spain, Russia, Denmark, Sweden, Norway and Japan, all paid subsidies and mail subvention, and some of them loaned money at very low rates of interest to aid their merchants to build ships.

They found that England had paid from 250 to 300 millions of dollars to enable her ships to reach every port on the entire planet, that she pays the owner of the *Lusitania* and the *Mauretania* \$1,100,100 annually as bounty and that she loaned them \$13,000,000 with which to build them at the low rate of interest of $2\frac{3}{4}$ per cent. per annum. That she pays \$200,000 per annum to aid a line running from Vancouver to China and Japan and that if anyone wants to go from the United States to many parts of South America, they will have to go to England first in order to get there and that most all of our South American mail goes by the way of England, and very many other things that time and space forbid me to mention.

They concluded that in view of the enormous payments made to the ships that carried the North Atlantic trade, it was useless to try secure legislation that would recover for our vessels any portion of that vast business. But they did agree upon a bill that would in their opinion establish and maintain lines from the east coast of the United States to the West Indies, Mexico, and the east coast of South America and lines from our Pacific Coast to the west coast of Mexico, South America and to enter China, Japan and Australia.

It is useless to trace the history of these bills for the last four years. President Roosevelt has always been in favor of the bills and has earnestly urged their passage. The Senate has always been ready to pass them when they have been presented. But the Democrats in the House have always opposed them and have had enough Republicans on their side to defeat them. Just before the adjournment of the last Congress a bill passed the Senate, but was defeated in the House, 172 voting for it and 175 against it. If I remember rightly, 22 Republicans voted against it, and 4 Democrats voted for it.

This is a sad, sad story that I have been writing and the case seems almost a hopeless one. I believe that the only hope for the future is to be found in our commercial bodies. If they could once come to a realizing sense of the paramount importance of this question, could see what vast interests are involved, what enormous benefits could be derived from the restoration of our American merchant marine to its ancient position on the waters of the earth, I believe it would not be long before the necessary legislation could be secured. My experi-

ence and observation have taught me that when the commercial bodies of America want anything and enough of them want it, and when they work hard for it, they are sure finally to succeed in securing it. But it will require a long pull, a strong pull and a pull altogether before it can be accomplished.

There is but one cause for satisfaction in the entire marine situation and that is found in the fact that our coastwise trade is in a fairly satisfactory condition and is making reasonable progress, as while in 1894 we had but 3,096,276 tons of ships engaged in this trade, in 1904, we had 5,335,164 tons. Certainly, a very satisfactory growth. Of course, this is caused by the fact that no foreign built ship is permitted to engage in the coastwise trade or to carry freight or passengers from our American ports to any other, thus confining the business to ships built in our own shipyards.

Mr. E. R. WOOD, of Philadelphia.—Mr. President and gentlemen, the figures which Mr. SMITH has given us are startling enough, but there are some considerations in this question which go beyond figures, which are immeasurable in their consequences, and cannot be weighed by any system of mathematics. When they make their impression upon the mind which they deserve to make they must make every man who feels their force aware of the cowardice and the pessimism of those weak creatures who have failed to meet the necessities of the situation in our National Congress.

In the latter part of the eighteenth century and the early part of the nineteenth century, American commerce, the ships of the United States, were almost the controlling factor in the world's progress. The battles, the wars of Napoleon, centered around that commerce. The Milan decrees and the Berlin decrees, the English orders in council were caused by and affected and intended to affect the New England, the New York, the Philadelphia and Baltimore vessels which carried the commerce of the ocean during those years.

Later those sailing vessels opened up the Pacific, introduced missionary work to the islands, carried it on and established the great American agencies in China and introduced a missionary system there.

Still later, in the latter half of the century, they opened up Japan, and the great commercial position which Japan occupies to-day is largely owing to the effect of American shipping and commerce.

In other words, the nineteenth century owes its controlling features to the commerce of the North American continent.

Now, I am sure that when this nation, which controls and produces one-fourth of the products of the Christian world, can be brought directly into touch, can bring its commerce and the feelings and sentiments of its people face to face and hand to hand with the other nations of the world, they can affect a new generation so that there will be a start for the twentieth century brilliant beyond what we can foresee, that will affect the twentieth century in the same way that the American commerce affected the nineteenth century.

I agree to every word of the report. I would like to have it made more specific. But our committee did not feel that without technical knowledge we could go into certain questions. It would be well, however, to state certain facts, which all here are not familiar with, but which are true, I believe; that is, that the laws which were made to control the crews of the sailing vessels a hundred years ago or so are still in effect, and they make it necessary, as they are applied to ocean steamers, to carry larger crews than English or German vessels are bound to do, from seven to perhaps fifty men, according to the size of the vessel, as an additional number. This, of course, in addition to the higher wages which American labor expects to get, makes a serious matter, one which ought to be thought out and corrected. There can be no doubt, I think, that with the usual mechanical excellence of American work, we would be able to produce ships which could work with a smaller crew than English or German ships, instead of a larger crew, and our ship owners and ship builders have the advantage of American mechanical skill. I hope the resolutions will pass. [Applause.]

Mr. FURLONG, of Milwaukee.—I should like to ask a question of some of the gentlemen who have given this matter thought, and I ask it for the purpose of obtaining information and not with any desire to start a controversy.

I should like to know if, in their opinion, the application of the subject of the expenditure of large sums for subsidy

would be anything more than a stimulant, rather than effecting a complete cure, and bring our merchant marine to that height which it had in that golden age to which they have referred. In other words, whether subsidies are necessary and would accomplish all that is claimed, or whether it is not a fact that changes in our tariff laws have not had a great deal to do with the decadence of our merchant marine. I repeat, I simply desire information on the subject.

Mr. WOOD.—I do not see any reason why Congress should not be able to acquire such wisdom as would enable it to counterbalance the subsidies paid by Japan or Germany or England to vessels. There must be a money equivalent somewhere and they ought to be able to find it.

Apart from that, it has been suggested that all goods imported into this country on American vessels should have a rebate in the tariff, and to my mind that would be a very good thing to have. It would relieve our friends who worry about the extent of the tariff imposts if 10 per cent. were taken off occasionally on American ships, and at the same time it would be an immense encouragement to the owners of the ships, and it would act automatically. But it is too radical a thought yet, I believe, to be offered. I do not suppose Mr. DOUGLAS would approve that, if so, I would be glad to hear from him.

Mr. DOUGLAS.—That is an old idea.

Mr. WOOD.—Yes, it is an old idea, but sometimes old things come around again.

Mr. DOUGLAS.—For many years American ships enjoyed a preferential tariff, and that was one of the causes which gave us an American merchant marine at one time, a merchant marine which carried from 80 to 90 per cent. of the merchandise coming to our ports and going from our ports. Many people have advocated a return to that method of giving a discriminating duty in favor of goods coming to our ports in American ships. The only difficulty that has arisen is one that we have debated at previous meetings, the fact that we have treaties now with some twenty nations (favored nations), and we would have to abrogate those

treaties, and the Senate has not seen fit to take up discriminating duties, by reason of the fact that these treaties would have to be abrogated.

In connection with the question of subsidy, the committee for several years has not deemed it desirable to invite a controversy on the floor here by reason of bringing forward any special solution in their resolution.

In reply to the gentleman and Mr. Wood's statement in regard to subsidy, we all know that there is not a nation to-day exploiting its shipping for the interest of its people that does not resort to subsidy. They endeavor to shield their action in various ways, in the guise of pay for mail services and for war purposes, and give other plausible reasons for it; but Great Britain, the greatest maritime power, and every other nation including Japan, are all giving subsidies to their shipping, and that seems to be the most feasible way of reaching a definite and proper conclusion. The amount of money that would be required is a problem, of course.

Personally, I have stated before on this floor, and I will state again, that in my opinion a maximum amount of \$10,000,000 to subsidize American ships, starting, of course, at a lesser amount and working up to that maximum, in ten years would give us the greatest fleet the world has ever seen to carry our products, and not only our products, but the products of other nations as well. I don't think there is any question but that this be true.

We are losing to-day \$100,000,000 to \$150,000,000 in cold American cash, not only losing that in money, but we are placing American goods at a great disadvantage as against English and German and other goods that are exported from various countries, because do you suppose that the men who are controlling the foreign ships who have every facility in our ports and come here as aliens, we extending them all the privileges of our ports, are loading ships for our good? No; those men not only control our trade, but they dominate our trade, to the detriment of the American manufacturer and the American merchant and the American farmer, and every pound of goods which goes out of our country—I

don't care whether it comes from the soil or the factory—is absolutely penalized by alien interests, who meet in London and Hamburg and other places, as I have said before, and we pay the tribute which they choose to put upon us.

To-day no merchant or manufacturer in this country can say what his rate of freight is going to be. He has to go to an alien steamship owner. That alien steamship owner is not his own master; his master is in London or elsewhere. In many cases you are not even able to obtain rates, and when you do obtain rates, it is only done after a careful analysis to see whether the very goods you are trying to sell to foreign people are not capable of being diverted and sold to England or Germany.

Those are very serious problems. You will excuse me for entering into this. I am led on by the question my friend asks. But, gentlemen, we are in a perilous position. It is useless to say that we are not. You may have as a manufacturer tens of thousands of dollars' worth of goods to send abroad. Those goods enter into competition with German goods or English goods. If you cannot get ships to carry them at a minimum, you cannot give a cost freight and a commission price to a merchant abroad who desires to buy those goods; and so detrimental is that to the sale of American goods that large contracts we should have secured go elsewhere. That is, we have asked the English and Germans represented to give us a rate from America as close as the rate from Germany and from England.

Remember, the same men who are loading ships from America are also loading ships from Liverpool or Hamburg or Bremen. Now, those men, by giving a differential favoring England or Germany, etc., can at any time divert trade from the American manufacturer. We do not realize what we are losing, and it is a surprising proposition that the men in Congress can stand there year after year and deny to the American nation the right to put their flag on the ocean. The cost would be infinitesimal. We lose more in one year than we would pay out in subsidies in twenty-five years, in my opinion, and we ought to act.

I don't believe, for one, that the American nation is not alive to the situation, nor do I believe that the American people do not want the flag to fly again on the ocean. I believe that if we could have a popular vote we would have a vast majority in favor of paying either a proper subsidy or giving differential duties or in some other way to reach the situation which we want.

It is simply because the public is educated up to talk down the American merchant marine, and I am glad to say that this chamber is one of those who have had the courage to come out and try to educate public opinion to look at things in the other way, and it is going to come.

The war question I leave out. We know all about that, and the disadvantages under which we labor. I consider that not only should we pass this resolution, but I consider that it should be up to our President to appoint a strong committee and then to go to Congress and demand that we should have recognition. [Applause.]

The foreign interests, gentlemen, as the late investigation clearly proves, are spending money freely. They are advertising in many papers in the West and they try to educate those people through paying heavily for advertising and then getting editorial articles, so that the American merchant marine, you might say, can be written down.

Mr. WOOD.—Secretary Straus appointed the Chairman of the Hamburg-American Line to be the head of his Council of Commerce.

Mr. DOUGLAS.—I think he did. Not only that, but there is not an organization in any large centre of population in this country that is not practically, you might say, almost dominated by the alien steamship people, who have their emissaries there to fight their battles. I don't care whether it is the Chamber of Commerce of the city of New York or the Boston Chamber of Commerce, or anywhere else. They are all the same. These men are there doing the duty of the foreign steamship owner, and it is time we were aroused and fought the battle and put it through. There is nothing this National Board of Trade can accomplish that will be so great and glorious for the American nation as that proposition.

Mr. ROBERTSON, of Norfolk, Va.—I am a beginner, and I was told when I came up here as a beginner that I was not expected to say anything for at least three years, but I believe, after listening to the proceedings of this body, that it will allow any member to speak.

The PRESIDENT.—The person who so informed you made a great mistake, because there is no man on the floor we would rather hear than you. [Applause.]

Mr. ROBERTSON.—Thank you, sir.

I am the only representative from Norfolk, and as I come from about the most extreme point south represented on this floor, I am glad to say that I agree with everything that has been said here this afternoon in behalf of the American merchant marine. [Applause.]

Starting as a Cleveland Democrat and coming along as a strong Independent, I have watched the vote in Congress for many years on that subject, and the wonder has been to me that our people in the South could stand so solidly against what seems to be the great interest of the American nation, the establishment of a strong merchant marine.

I regard it as one of the greatest outrages in the development of this country that we have to send our naval ships around the world hauling coal for those great war vessels in foreign bottoms. Coming from a seaport, as I do, I wonder sometimes where all our great American progress that we boast of has gone, when I find nothing but foreign vessels coming in to transport goods from our harbors to foreign countries.

It is a mistake. The strongest committee that can be appointed from this body is almost too weak to present this cause to Congress. We should demand, if possible, of Congress that they give us a strong American merchant marine. It matters not at what cost it may have to come in the way of money, for it will come back to us in a very few years. [Applause.]

Mr. WALDO SMITH.—I would say, if this committee is appointed—and I hope it will be—it must go to work right straightaway, as after the 4th of March it will be absolutely

hopeless to try to get any legislation for a long time. As my paper stated, only three Democrats voted for the last bill before Congress.

Mr. REYNOLDS, of Scranton.—The largest seaport in Northeastern Pennsylvania is Scranton, Pa., on the Lackawanna River. If any of you have seen that magnificent body of water you will see how very much interested a representative of the Scranton Board of Trade ought to be in the re-establishment of the American merchant marine. A boy of average agility could almost leap across the Lackawanna River at almost any place along the river at ordinary stages of water.

I speak of this to show you that the interests of the American merchant marine have and ought to have no limitation in this great country. The great Middle West, where there is so much of the best that this Government contains in men, has been singularly remiss in comprehending what Henry Watterson made plain to the people of the South when he called their attention to their position in reference to the construction of the Panama Canal—to the fact that it was the opportunity of the South; that, with the completion of that connection between the two great oceans, it might easily be that the Southern ports would dominate at least in the grain and cotton trade.

So you see it is not a matter of whether I am located on the Lackawanna River, with the comparatively few interests I represent in our Board of Trade, or whether I come from Norfolk or New Orleans or New York or San Francisco.

The word "ship-subsidy" is an unfortunate word. "Subsidize" is an odious word in the minds of the average American, who abhors subsidy as such, and it is an unfortunate selection of a designated term.

Mr. DOUGLAS, who is the premier in this National Board of Trade in the advocacy of the American merchant marine, so lucidly stated this difficulty one year ago that it seems too bad to inflict upon you some of the things he said. He said that in his opinion a \$10,000,000 appropriation would be justifiable to regain our ascendancy on the ocean.

We have a ship-subsidy bill, and have had since 1891. We have been spending about \$1,500,000 in a ship-subsidy. It has been paid at the rate of \$4 per out-going mile on first-class twenty-knot ships; \$2 on eighteen-knot ships; \$1 on third-class ships, an amount, as you see, quite insufficient to make it attractive to pay the difference between the expenses of running a ship under a foreign flag and under the American flag, with the higher wages to the crew, and very much higher cost of maintenance which they demand.

Somewhere there must be an equivalent, as a business proposition, whereby the American ship owner may compete with his brethren, who, like the German ship owner, is paid \$7.28 per registered ton, and who, like the Japanese ship owner, is paid \$7.40 per registered ton, and, like the English Government, which pays \$0.48 per registered ton.

The present Gallinger Bill, before the Senate, proposes to advance the rates paid to third-class vessels to the same rate that has been paid in the past to first-class vessels, that is to say, to such vessels as sail to South American ports.

I hope some of you had the pleasure of listening to what was to me the ablest and the most enthusiastic and intelligent presentation of a great business opportunity made by an incomparable American—incomparable because he has a vast amount of enthusiasm, a thorough grasp of his subject—and that is Mr. Borap, who has charge of the trade with South America. He pointed out that the South American city is no mean city, that the typical South American city has as much in the way of buildings and opportunities for development as your great cities in the North; in fact, he claims that the great opportunity for development lies south of the equator. Germany, always far-sighted, always prudent, always ready and reaching out to grasp any opportunity, is doing her best; and those of you who have been informed upon this question know that in Brazil and in many of the South American States to-day, her influence is not only ascending, but is rapidly becoming predominant. She is reaching out with vast foresight which gave to her the most magnificent domain in her National forests; she is exercising it to-day for the development of her merchant

marine. How long is a great nation like this to stand supine? How long are we to wait before the vast areas west of the Mississippi will realize that this is one homogeneous country and that they may be great only when they can say that this land of ours has the greatest merchant marine in the world?

When the clipper ship entered commerce the speed of those Yankee inventions gave us the commerce of the world. To-day the commerce of the world is built up of so many hundred thousand dollars for every knot developed. The scout ships of France, Germany and England are all subsidized, and, of course, as the gentleman (Mr. DOUGLAS) has said, that is for a purpose.

The second proposition is that they are extending their merchant marine everywhere and they are paying the necessary amount to do it.

Now, how can you expect an American ship owner, paying from 40 to 50 per cent. more for his American-built ships, built with American labor and using American raw material—how can you expect him to pay that fearful fixed charge, to invest that money and to continue to compete with nations that are already giving to their ship owners such magnificent and such generous treatment as they are?

Therefore, "subsidy" is a weak and altogether unfortunate word. Nor is it sufficient, as a Representative, Mr. Kuestermann, of Wisconsin, argued in Congress on introducing his bill in January, 1910—nor is it sufficient to say that if the American ship owner may buy his ships abroad the proposition will be solved, as he attempts to argue in an excellent brief containing many excellent facts.

Whenever the fixed charges in the operation of those ships exceeds by a considerable amount the cost of operating and maintaining the opponents' or the competing ships, you can see that the American ship owner cannot hope to succeed.

So what we need, it seems to me, is more liberal treatment of the subsidy question and more liberal treatment, I had better say, of the premium question, placing a premium upon fast ships. Let the American inventor give us a thirty-knot ship if he can. He will if he can. I think he

can, or at least he can give us as fast a ship as any other nation. Such a proposition would insure the construction of ships for scout service that are instantly available, when the time comes, as an auxiliary to our navy. Give another subsidy to equal the fixed charges upon the additional charges of ships, then give the premium equal to the cost of maintaining a ship and equal to the cost of furnishing sustenance to the men, and then let the competition begin on a fair basis.

Surely under the present conditions it cannot be. I don't know whether the committee has advocated the passage of this particular measure, nor am I qualified to say that this will follow the bill. But at least at the present time, when \$1,500,000 is being spent and when the proposition is made by so careful a student as the gentleman who has just spoken to you, that he thinks \$10,000,000 would be easily enough to bring about the objects and purposes of the establishment of a merchant marine, whatever it is, let the American traveler abroad be able to say, as he has not been able heretofore to say, that in his tour of the world at least he saw the American flag upon one merchant ship out of four. [Applause.]

Mr. FURLONG.—I would like to take the time of the convention for a moment longer.

I would say that no one deploras more than myself the low state of the American merchant marine. No one appreciates more highly the necessity for a country wishing to be commercially healthy to have good foreign commerce; and, while I have many ideas for the reason for the atrophy of this particular branch of business, I would even sacrifice what I consider my principles if it were possible to do anything at all to stimulate this trade. I should be in favor of a vote for any measure at all that would produce that result, even if it were necessary to petition Congress to appropriate more than \$10,000,000, if it would accomplish this result, because I think it is something of great importance. I do not wish to be misunderstood. I am not rising in an apologetic way for my previous position, but I merely wish to say that that is my idea and my feeling on the question. [Applause.]

Mr. HITCHCOCK, of Scranton.—I was a member of this committee, but unable to meet with it, because I was engaged in other committee service. I regret I was not with it, because I would have advocated a little stronger report than was made.

I thoroughly believe in the subsidy or subvention system, but I think we want to first thoroughly educate the people to demand it.

The reason Congress has not voted it is because the people have not asked for it. You look over the votes against it and you will see where they come from—the Middle West, the Northwest.

I understand that Senator Burton has always been violently opposed to ship subsidy. As you know, he was Chairman of the House Committee on Rivers and Harbors for a long time and is now in the Senate.

What we want is to get this subject before the people, to get the people educated, and then we shall get what we want. I think the best thing we can do is not only to present this matter to Congress, but to send out literature on the subject, because the very minute we get a bill before the House that has anything in favor of subvention or subsidy, then the magazines in the interests of the foreign trade will come out with articles about "graft" and so on, and away goes your votes against it. We want to get this whole question fairly before the people. When the people understand this question the Congressmen will hear what the people want, and we shall get what we want.

I wish we might adopt some plan by which this would be a matter of education. It has got to be a matter of education among the people, so that these votes from the West and Northwest and Middle West will demand it and the South will demand it, as well as the votes along the Atlantic coast.

There is another side of this question, gentlemen. As Roosevelt said one time in a speech before the Manufacturers' Association, "A powerful navy is a powerful provocative of peace." But how are we manning that navy and how are we going to man that navy? It is impossible to

get American seamen. I have been aboard these vessels and I have seen Scandinavians and men from a great many nations, but very few American seamen. If we had a merchant marine of our own we would be independent of that element. If war breaks out where are we going to get our American sailors? Our land forces do not amount to anything, we have to have a navy if we are going to be safe, and the way to have a navy is to rehabilitate the American merchant marine, so we will have some men ready to man vessels.

So I wish we might have a campaign of education on that subject. I have been attending these meetings for almost twenty years and we have had year after year such resolutions as we have to-day; we have gone to Congress over and over again, and what does Congress care about that until their constituents demand it? When their constituents demand it you will get it. What we want to do is to get the constituents to wake up on this question and make them understand what it is to be an American and advocate American interests.

A gentleman told me a short time ago that in traveling over South America he hardly ever heard anything about this northern Republic; that they didn't know anything about our goods, didn't know anything about us, but they did know all about Germany and France, and they knew most about England. He said that there would be no trouble whatever in getting in there and getting a tremendous trade if we only had means of communication. I am told to-day that a manufacturer cannot get goods to South America unless he sends them by way of Europe.

The PRESIDENT.—I might tell you, in the interest of commerce, that they have established a line running from Philadelphia to South America. But I am very sorry to tell you that that line is owned by Englishmen and flies the English flag out of Philadelphia.

The resolution was unanimously agreed to.

The PRESIDENT.—The Chair will appoint the Committee on Merchant Marine, and Mr. DOUGLAS thinks that Congress-

men should be seen during this convention. The members of the committee are:—

W. H. DOUGLAS, New York; JOHN G. CROXTON, Philadelphia; F. L. HITCHCOCK, Scranton; ROBERT N. HARPER, Washington; JOHN S. LAWRENCE, Boston; EDWARD H. HORWOOD, Hoboken; W. B. LIVEZEY, Newport News; G. WALDO SMITH, New York; Hon. JOSEPH A. GOULDEN, New York; E. R. WOOD, Philadelphia; ROBERT RAMSAY, Baltimore.

Mr. HITCHCOCK.—I suggest that this committee be given power to enter upon a campaign of literature upon this subject. I make that motion.

Mr. HARVEY. I suggest that Mr. REYNOLDS be added to that committee.

The PRESIDENT.—Mr. REYNOLDS can be added. Mr. REYNOLDS, of Scranton, will be added to that committee.

DEATH OF HON. JOEL COOK, OF PHILADELPHIA.

Mr. ROLPH, of Philadelphia.—Mr. President, you referred this morning to the death of Hon. JOEL COOK, of Philadelphia, a member of the Philadelphia Board of Trade, member of Congress and one who had taken an active part in this body. I therefore present, on the part of the Philadelphia Board of Trade, the following resolution:—

The Philadelphia Board of Trade by the death of JOEL COOK lost an able, cultured President, who for many years guided its welfare and interests in a manner that carried not only its highest appreciation, but, in addition, commendation for his untiring and unselfish work in its behalf. His public services always for and in the interest of his State and country, reflected the greatest credit upon him as a man and a citizen. His active co-operation and advice in the National Board of Trade merited and has their warm approval.

The Philadelphia Board of Trade feel that this modest record of his career should be engraven upon the records of the National Board of Trade at its first meeting since his death, and a copy be sent to his family by the Secretary of the National Board of Trade.

Upon motion the resolution was unanimously agreed to.

ORDER OF BUSINESS.

The PRESIDENT.—Is the Committee on Conservation of Natural Resources ready to report now?

A DELEGATE.—The Chairman of that committee announced earlier in the evening that they would not be ready until to-morrow.

The PRESIDENT.—The report from the Committee on Currency and Banking is deferred. Is the Committee on Postal Affairs and Parcels Post ready?

POSTAL AFFAIRS AND PARCELS POST.

Mr. FINLEY ACKER, of Philadelphia.—Mr. President, I assume that the convention does not wish to spend any needless time in discussing subjects upon which we are all agreed. The question of 1-cent postage is one upon which there has never been any division of opinion. The committee unanimously recommend this. Upon this subject the only question is as to phraseology, as there is never any question about the principle of the resolutions. The congressional bill which accompanies the report simply recommends the adoption of 1-cent letter postage instead of 2-cent. We submit the following report:—

Regarding One-cent Letter Postage, the following resolution was recommended:—

WHEREAS, Under the wise and able management of the present Postmaster-General the deficit in the Post Office Department seems to have been very largely decreased during the past year.

Resolved, That the National Board of Trade reaffirms its former recommendations to Congress for the immediate adoption of one-cent letter postage, and recommends the passage of H. R. Bill 28,223, introduced by Mr. Sheppard.

Regarding Government Printing of Stamped Envelopes, the following resolution was adopted:—

WHEREAS, It is a well-known fact that the work of the Federal Post Office Department is greatly facilitated by having envelopes clearly and uniformly stamped with the address of the sender; and

WHEREAS, The United States Government now furnishes to order in lots of 500 or more, stamped envelopes bearing the return address at a price but little above that of the stamped envelopes alone, by reason of the fact that the envelopes can be stamped and the address printed all at one operation; and

WHEREAS, This practice results in a great saving and convenience to the public and is in entire accord with the clearly recognized policy of the Post Office Department to render the best and most economical service possible, and cannot be construed as unfair competition with private interests; therefore be it

Resolved, That the National Board of Trade is opposed to the passage of H. R. 3,075, known as the TouVelle Bill, forbidding the further sale by the Federal Government of stamped envelopes bearing the purchaser's return address, as a measure which is inimical to the interests of the general public.

Regarding Parcels Post, the following resolution was adopted:—

Resolved, That it is inexpedient to take any action regarding Parcels Post at this time.

FINLEY ACKER,
GEORGE T. MCINTOSH,
WALLACE M. BELL,
GEORGE H. MAXWELL,
EDWARD H. HORWOOD,
JOHN ASPEGREN,
GEORGE S. SMITH,
HENRY D. BENNETT,
ALBERT McCULLOUGH,
EDGAR L. HAYNES.

EXHIBIT A.

61st Congress, 3d Session. H. R. 28,223.

IN THE HOUSE OF REPRESENTATIVES.

DECEMBER 7, 1910.

Mr. SHEPPARD introduced the following bill; which was referred to the Committee on the Post Office and Post Roads and ordered to be printed.

A BILL

To establish one-cent letter postage.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That upon all mail matter of the first-class as defined by chapter one hundred and eighty of the laws of Congress approved March third, eighteen hundred and

seventy-nine, entitled "An Act making appropriations for the service of the Post Office Department for the fiscal year ending June thirtieth, eighteen hundred and eighty, and for other purposes" and by that Act declared subject to postage at the rate of three cents for each half ounce or fraction thereof, and reduced by Act of March third, eighteen hundred and eighty-three, to two cents for each half ounce or fraction thereof, and reduced by Act of March third, eighteen hundred and eighty-five, to two cents for each ounce or fraction thereof, postage shall be charged on and after the first day of July, nineteen hundred and eleven, at the rate of one cent per ounce or fraction thereof, including drop letters, and for each additional ounce or fraction thereof the postage shall be one cent additional.

I move the adoption of the first resolution, the one in regard to 1-cent postage.

The resolution was agreed to.

Mr. ACKER.—The second resolution is in regard to the Government printing of stamped envelopes.

I might say, in explanation of this, that the envelope manufacturers of the country have felt that they were discriminated against by the printing of the envelopes by the Government without cost, thus concentrating into the hands of the party who gets the contract for printing for the Government the benefit not only of the enormous sale of the envelopes, but also the benefit of the printing. About a year ago the Government was party to a very aggressive campaign in advising the general public to buy those printed envelopes and that caused agitation which resulted in the envelope makers of the country combining to try to have the Government discontinue that custom.

On the Programme are resolutions both in favor of the bill which prohibits it and the resolution suggested by the Boston Chamber of Commerce opposing any change. The committee, after careful consideration of all the facts in the case, concluded that because of it having been an established usage for so many years and being so great a convenience to the general public and of such little interest to any one particular printer, it would be wiser to continue the present system. I think it was claimed that there were about 100,000 printers or envelope makers in the country who would be interested, and the total amount would be perhaps only \$5 to

each. So that in consequence of that small advantage to the envelope manufacturers, but the great advantage which the present system is to the public, they thought it unwise to discontinue the present system, and they consequently recommend the resolution which you have just heard regarding the Government printing of stamped envelopes.

As the Chamber which I represent has presented a resolution favoring this bill, I will ask a gentleman from the Boston delegation to move the adoption of this resolution.

Mr. GEORGE S. SMITH, of Boston.—I move its adoption.

The resolution was agreed to.

Mr. ACKER.—The other resolution is in regard to parcels post. The question of parcels post came up and this situation is recognized: That the question of parcels post is one upon which the commercial interests of the country seem to be very widely separated in opinion. There are some who are strong advocates of a general parcels post, because they feel that it is in the line of progress. They feel that every transportation advantage should be given to the commerce of this nation, because the lower the rates and the greater the facilities, the more rapidly will commerce develop and the wider can it extend its field of profitable operation.

On the other hand, there are certain interests in this country who feel that the operation of an extended parcels post will interfere with their business, and that feeling has developed into one of intense hostility. Therefore, in view of the fact that the only bill before congress at the present time is one that relates to rural parcels post, it was felt that this Board was not called upon, at any sacrifice to itself, to take action on this question, and after considering all the facts in the case, they adopted this resolution:—

Resolved, That it is inexpedient to take any action regarding Parcels Post at this time.

I take pleasure in offering that resolution.

The resolution was agreed to.

Mr. McKIBBEN, of Boston.—Mr. President, in the absence of any instructions from the Boston Chamber of Commerce

in regard to the ship subsidy bill or the 1-cent postage bill, we would like to be recorded as not voting.

RIVERS AND HARBORS IMPROVEMENT.

The PRESIDENT.—The next is the Committee on Rivers and Harbors Improvement.

Mr. MAXWELL, of Chicago.—Mr. President, instead of embodying these resolutions in one set—a preamble and following resolutions—we have deemed it better to adhere as closely as might be to the original resolutions as offered, taking the matter up by steps.

The first subject is that of sewage disposal in the rivers of the country. The resolution we have to offer on that is as follows:—

WHEREAS, The widespread and indiscriminate discharge of crude sewage into our natural rivers and waterways is rapidly destroying one of the nation's greatest assets, "pure water"; and

WHEREAS, There is now no reason why all cities and communities should not in time treat their sewage before it is discharged into rivers and waterways; therefore be it

Resolved, That the National Board of Trade repeats its protest against the filling up of our rivers and harbors by sewage, and favors the enactment of National legislation which shall place under control of the Government all interstate waterways for the purpose of preventing their pollution by the discharge of sewage into their waters, and further recommends the appointment of a National Commission composed of men familiar with the subject, whose duty it shall be to study the question from a National standpoint and thoroughly to digest existing laws, and to report such new laws or modifications of those now existing as will secure the co-operation of the United States Government with States, cities and communities, which are now in constant conflict with one another concerning this important question.

I move the adoption of the resolution.

The resolution was agreed to.

Mr. MAXWELL.—The next is with regard to improved docking facilities:—

WHEREAS, The constantly increasing size of vessels engaged in transatlantic commerce demands more adequate dock facilities in some of our harbors; therefore be it

Resolved, That the National Board of Trade strongly urges the Board of Army Engineers to give this subject most careful and immediate attention, and, where it may be at all possible and safe, to permit local authorities to extend pier head lines, making the piers of sufficient length to berth the largest steamers that may come to this country.

I move the adoption of that resolution.

The resolution was unanimously agreed to.

Mr. MAXWELL.—The next is the very important question of flood prevention.

Gentlemen, I want to say in passing, that I think the estimate of the annual loss in the United States by reason of floods is something in the neighborhood of \$100,000,000, a large proportion of which is entirely preventable.

WHEREAS, Danger and detriment to navigation and great destruction to life and property have been caused from time to time along the navigable streams of the whole country by reason of floods; and

WHEREAS, It has been clearly demonstrated that it is entirely possible to protect property that would otherwise be damaged and destroyed by floods and also to aid navigation by the deepening of the streams, straightening of the channels, and the construction of storage reservoirs for the purpose of preventing destruction in flood times and supplying water for navigation during the dry seasons; therefore be it

Resolved, That the National Board of Trade recommends that Congress take action towards providing means for the prevention of disastrous floods and the consequent damage and destruction caused thereby.

I move the adoption of the resolution.

The resolution was agreed to.

Mr. MAXWELL.—The next resolution is with reference to the relief of traffic in bulky commodities from the Scranton Board of Trade. This resolution is very brief, because a portion of it is covered by another resolution.

WHEREAS, The tendency to advance freight rates on commodities yielding comparatively low rates of freight, and the delayed delivery of such freight by rail as compared with the delivery by water, make

it desirable that important inland waterways be developed expeditiously in relief of existing conditions; therefore be it

Resolved, That Congress is urged to take prompt action looking to the relief of traffic in bulky commodities.

I move the adoption of the resolution.

The resolution was adopted.

Mr. MAXWELL.—The next resolution is in regard to the importance of making an appropriation of not less than \$50,000,000 annually for the improvement of rivers and harbors.

WHEREAS, The National Board of Trade last year urged upon Congress the necessity for regular appropriations of not less than \$50,000,000 per annum for the improvement of our rivers, harbors and inland waterways; and

WHEREAS, The Chief of Engineers has recommended to the Congress now in session the appropriation for the next fiscal year of only \$32,000,000 for such purposes; therefore be it

Resolved, That the National Board of Trade again calls the urgent attention of Congress to the necessity of making a regular annual appropriation of not less than \$50,000,000 for the improvement of rivers, harbors and inland waterways, such improvements to be made as have already been recommended by the President, not in a piecemeal and incoherent manner, but in such a manner as to make, when completed, a continuous system of waterways, adequate to the increased demands of water-borne commerce.

I move the adoption of that resolution.

The resolution was adopted.

Mr. MAXWELL.—The next resolution is as follows:—

WHEREAS, The increase in our manufacturing, industrial and farming interests has grown to such proportions that the demand for improved waterways has become irresistible; and

WHEREAS, The various municipalities situated along these waterways cannot properly avail themselves of the advantages of transportation by water without the ownership of proper terminal facilities for all vessels engaged in such commerce; therefore be it

Resolved, That the National Board of Trade recognizes the imperative need of all municipalities, capable of using the improved waterways of the country, acquiring the immediate ownership of adequate terminal facilities, whether such ownership can be secured by pur-

chase, or shall have to be secured by condemnation proceedings, and of maintaining said terminal facilities open for the accommodation of all incoming and outgoing vessels.

I move the adoption of the resolution.

The resolution was adopted.

Mr. MAXWELL.—The next is:—

WHEREAS, An amendment to the rivers and harbors bill has been introduced into Congress by Senator Newlands, of Nevada, recommending the appointment by the President of a Board or Boards with the object of bringing about the co-operation of the Engineer Corps of the Army with the other departments of Government looking to the development, control and regulation of the rivers and waterways of the United States, as well as the protection and conservation of certain natural resources; therefore be it

Resolved, That the National Board of Trade heartily endorses the appointment of such a commission, and urges the passing by Congress of this amendment.

I move the adoption of the resolution.

The resolution was adopted.

Mr. MCKIBBEN, of Boston.—Mr. President, the Boston Chamber of Commerce has not acted upon any of those matters submitted.

I move that we be given authority to state our position in regard to the matters upon which we did not vote, so I shall not have to get up each time and state that I am not authorized to act.

The PRESIDENT.—That will be satisfactory, and your remarks will be entered in the record, so that you will be perfectly understood.

TARIFF AND RECIPROCITY.

The PRESIDENT.—The next is the Committee on Tariff and Reciprocity. Is the report ready?

Mr. MULLEN, of Wilmington.—Mr. President and gentlemen, the committee to which were submitted Propositions

XL to XLVII have very carefully considered them, and while many of them contain some new matter, much of it had been referred to this convention in 1908, 1909 and 1910, and the convention during those sessions thoroughly considered them. While the wording was not in the same form as the propositions presented before us, at the same time we thought it best to dispense with the usual formula of presenting the questions where you were more or less fully acquainted and fully informed about them.

The questions as submitted to us are not, as I said, entirely new to this Board, and after very careful consideration, we have thought it best to condense them, and we offer the following resolutions for your consideration:—

Resolved, That the National Board of Trade, in view of the excellent work already done by the present Tariff Board, recommends that the Board be made permanent, and that it be so constituted that it will be non-partisan in its character.

Resolved, That we approve of considering individual schedules when making changes and of not considering all the items on the tariff list at one time.

Resolved, That the National Board of Trade is in favor of a treaty of reciprocity with Canada and an exchange of products on basis of equality of tariff rates.

WM. D. MULLEN,
W. W. ROBERTSON,
JOSEPH PERSONENI,
E. R. CARHART,
JOHN G. CROXTON.

I move the adoption of these resolutions.

MR. PERSONENI, of New York.—Mr. President, I have an amendment to offer, to this effect:—

That the National Board of Trade recommend to Congress the substitution of the maximum clause of the present Payne Act, with proper reciprocity legislation with all countries at large that will offer special advantages to American products.

THE PRESIDENT.—Gentlemen, the vote will be taken on the amendment. Are you ready for the vote?

MR. HITCHCOCK, of Scranton.—I would like to hear what is intended by that.

Mr. STARACE, of New York.—The intent is simply as to reciprocity with Canada. I think we should have the option of substituting the maximum tariff.

Mr. CROXTON, of Philadelphia.—Mr. President. I would like to ask if the amendment was submitted to the committee?

Mr. MULLEN.—This resolution was submitted by the Italian Chamber of Commerce. We suggested to the Italian Chamber of Commerce, as the form of the resolution was not one that could properly be considered by the committee, that we thought it would best be brought to the convention in the form of an amendment, so that we could get the sense of the convention as to whether they cared to approve it, and the phraseology was changed. In fact, it was shortened so as to make the purport clear to you, and so the gentlemen from the Italian Chamber of Commerce have presented it in that form.

Mr. CROXTON.—It seems to me the report from the committee should be acted upon and then this come up as a separate subject. That was the way the committee looked at it—not to amend the report of the committee, but to pass the report of the committee and then let this be a special resolution.

The PRESIDENT.—Would you like to have this come up as a separate resolution?

Mr. PERSONENI.—Yes.

The PRESIDENT.—Are you willing to accept it that way, Mr. MULLEN?

Mr. MULLEN.—Yes.

The PRESIDENT.—One does not interfere with the other, it only covers more ground. The Chairman is willing to accept it that way.

The resolutions reported by the committee were adopted.

The PRESIDENT.—Now, as a separate resolution, the Chair recognizes Mr. PERSONENI, to introduce his amendment.

The Secretary read the amendment proposed, as above recorded.

A DELEGATE.—Substituted for what?

The SECRETARY.—Substitution for the maximum clause.

Mr. ASPEGREN, of New York.—It hardly seems to me that that resolution is drawn quite right. We do not apply the maximum tariff at present to a single article in Europe. How can we substitute then the minimum clause? It is true in our tariff laws it is there, but as we have not applied it, how can we withdraw it? It does not look to me as if the resolution was drawn quite right.

Mr. CARHART, of New York.—Perhaps it is only fair to state that the purpose of that resolution is to do the very thing that Mr. ASPEGREN now refers to. It is the desire of our friends from the Italian Chamber of Commerce to advocate the repeal of the maximum and the minimum clause of our tariff law and substitute therefor a provision calling for general reciprocity with all the world who will give us general advantages.

Mr. STARACE.—That is right.

Mr. CARHART.—That is the proposition that our Italian friends are laying before us now.

Mr. STARACE.—That is right.

Mr. KELLY, of Philadelphia.—It seems to me, after having heard the report as presented by the Italian Chamber of Commerce, that if they had adhered to a resolution which they placed upon the Programme the members of the National Board of Trade would have understood more clearly. On page 17 their resolution reads as follows:—

Resolved, That the Italian Chamber of Commerce recommends to the National Board of Trade to urge upon the Permanent Tariff Committee to the effect of proposing the abolition of said maximum tariff pending further legislation.

If they propose, Mr. Chairman, in other words, to abolish the maximum tariff as established by the Payne Tariff Law,

if they present that resolution in that way, I would like to present some remarks.

Mr. MULLEN.—We considered that, sir, but we have not a permanent Tariff Commission.

The PRESIDENT.—We have a board, but no permanent Tariff Commission.

Mr. WOOD, of Philadelphia.—Mr. President, I do not understand that proposition in the way Mr. KELLY does. I take it that our Italian friend thought that instead of making a tariff founded on the minimum basis they should take the maximum countries instead and then offer reciprocity under that. That is practically what we have done already. I think we have done what they ask us to do.

Mr. HARVEY, of Philadelphia.—Mr. President, as I understand, there is only one nation with respect to which the President has the right to put in force the maximum tariff under the Payne Bill, and that is Canada. The President has held that in abeyance pending negotiations with the Canadian Ministers. Minister Finney met the President in Albany in the summer and negotiations were then taken up that are now pending with the Canadian Ministers in this country. Quebec prohibited the exportation of pulp wood from the Province of Quebec into the United States and they are endeavoring to adjust that matter so that it will not be necessary for the President to put the maximum rate into effect by making concessions between the two countries.

The resolution, as I understand it, is not quite clear—it is rather ambiguous—as to what these gentlemen wish to do. I certainly am in favor of doing what the gentlemen have told us they want to do, but it does not seem quite clear what they want.

Mr. PERSONENI.—I would like to read the preamble of our resolution:—

WHEREAS, The present minimum rates of Payne's tariff are the highest that have ever been enacted, and in order to demonstrate to

the International Commerce a healthy leaning towards reciprocity (as in the case of Canada).

So we speak about reciprocity. The moment that reciprocity is enacted between Canada and the United States the maximum clause does not amount to anything, so that is the reason, by accepting reciprocity, the maximum clause should be given us, because in the United States there are about 50,000,000 people that would only be too glad to exchange products with any other country in the world.

Mr. HARVEY.—It seems to me, Mr. President, that that would deprive the President, in the event of any nation taking action that would be detrimental to the interests of the United States, of the power to apply the maximum clause, which right he is given under the Payne Bill. We hope—and that is what we are all earnestly advocating—for reciprocity on an equitable basis with all nations, to increase our trade in a friendly way, not to deprive any nation of such advantages as they have; but the President has the right to prevent another nation from taking advantage of us, which they might do under some conditions.

Mr. PERSONENI.—I have a brief here that explains more thoroughly our idea of eliminating from the present tariff the maximum clause, and I would like to have the Secretary read it.

The Secretary read as follows:—

BRIEF

ON THE TARIFF ACT.

We shall try to point out several important reasons in demonstration of the advisability of repealing the "maximum" clause of Payne's Act, as a first speedy step by which the Government might show its good will toward an equitable settlement of the agitating tariff question.

The "maximum" tariff is—politically—inconsistent with true American sincerity and straightforwardness of purpose, inasmuch as the present Congress was elected on the promise of a downward revision, whilst the revision was actually performed in the opposite—upward—direction. There was, consequently, still *less* reason for inserting an extra "maximum" clause right on top of the Act, and in spite of the higher rates established in comparison with the previous one the already protective Dingley Act.

To revise the tariff—as it was intended and promised to—there should have been no radical departure from the policy which gave to the people of the United States said Dingley Act. By repudiating the principle of reciprocity, so ably advocated and put in practice by the great protectionist, the late President McKinley, a bad feeling has naturally been aroused against this country on the part of those which enjoyed treaties of mutual benefit. In abrogating such treaties, some articles rose to a 50 per cent. average increase without giving anything in return to the nations thus struck, same being supposed to grant to the United States the rates of duty in force toward the most favored nation, lest the “maximum” clause—hanging like a Democles sword over their head—would be applied! It suggests the impending meaning: You must keep on and give us the same fair and special treatment we were accustomed to under the reciprocity agreement, but you shall cease to get any more special favor from us.

The “maximum” tariff is wrong *economically*, because by the provision of its automatically eventual immediate enforcement, without notice it would disturb trade relations and injure the local market for those home necessities of foreign products—raw as well as manufactured—imported specially from leading countries like England, France, Germany, etc., and the burden of the extra taxation would fall primarily on the American consumer.

Practically, the “maximum” clause has proved of impossible or rather unwarranted application—as in the case of France, Germany and Canada—to such a degree, as to call for an “entente” of reciprocity (now under negotiation with the last-named country) entirely independent from Payne’s Act, and utterly in opposition to its fundamental principles.

The “maximum” clause is also dangerous. It is liable to draw the United States into a tariff war with some nation, for items of little importance in which, by reason of local opportunity, it might differentiate with the United States in favor of another country. If, in such a case and for obvious reasons, the enactment of the “maximum” tariff should not be a risk worth while to be taken, then the same clause could not be enforced neither when larger interests should be at stake. For if *not* equally enforced, the spirit of Payne’s Act would be betrayed as it makes no distinction between small and large interests.

To exact that all countries of the world must give the same special treatment to the United States, as they would give to any other nation in exchange for some particular consideration, is rather too independent and impracticable an assumption, in view of the almost countless and intricate items constituting the vocabulary of a modern tariff. Let us take an example: Russia might give a special advantage to one of her neighbors in exchange of some concession;

she might have no reason for granting the same privilege to the United States and yet be willing to concede some others, without prejudice to her interests, and still convenient to the United States.

That would be the case of an entente between Canada and the United States in comparison with Europe. The United States in the interest of her people should seek her own best trade relations independent of what other nations do among themselves.

The "maximum" tariff has awakened various nations to retaliatory methods in order to strike back at the ultra protectionist policy of the United States. Following the steps taken by this country, it would be a practicable expedient for them to raise their own tariff on many items of *exclusive American exportation*, call it minimum, as American legislation did with Payne Act; the United States would bear alone the burden of increased duties in exporting their wares without being entitled to protest, nor being permitted to assess the extra duty of 25 per cent. on the importation from the countries having adopted the system of the minimum tariff. In such an event the "maximum" clause would be a dead letter, as far as the using of it as a sword with only one keen edge, is concerned.

The prompt removal of the "maximum" clause would engage the countries, which are now arranging for tariff revision, to look upon taxing American products with more liberality. Said clause should be done away with, making room for reciprocity clauses, so that nations caring for special concessions from the United States could offer their good will, giving American products the chance of being introduced with facility into all parts of the world, and to American consumers the benefit of getting at reasonable rates such goods which the United States cannot easily produce or supply to their advantage.

Respectfully submitted by the
Italian Chamber of Commerce in New York,
New York, January 16, 1911,
JOSEPH PERSONENI,
Delegate.

The PRESIDENT.—The chair will recognize Mr. HAMLIN, of Boston.

Mr. HAMLIN, of Boston.—Mr. President, I can say I think that I agree with every word of the resolution and brief, so far as I heard them, of the Italian Chamber of Commerce; but I do not believe in the theory of the maximum duty, which is something that must be paid by the people of the United States. I want to call attention to the fact that there is to-day a very serious controversy with

the Government of Germany over the potash question, and a great many of our citizens are endeavoring to impress upon the Government the necessity of applying this maximum duty to meet the alleged evils of this specific question raised by the potash merchants of America. Therefore, although I personally agree with every word he said, I think the only result of such a resolution might be to embarrass the State Department, and therefore I move that the resolution be laid upon the table.

The motion of Mr. HAMLIN was agreed to.

Mr. CARHART, of New York.—Mr. President, the resolution being laid on the table, I wish to offer another resolution which will accomplish the purpose of our friends. The way they put it this afternoon was that the tariff law is never amended in part. To touch the tariff law would involve the reopening of the whole tariff question, and we do not wish to report a resolution of that character to this body, but we did suggest to our Italian friends, that if they would move to add to the resolutions, as reported by the committee, a clause similar to this, they would accomplish their purpose. The resolution that we adopted a moment ago reads:—

Resolved, That the National Board of Trade is in favor of reciprocity with Canada and an exchange of products on the basis of equality of tariff rates.

We suggested to them that if they would add to that resolution another clause reading

And it also is in favor of the general principle of reciprocity treaties with all nations,

they would accomplish their purpose, and I move that that clause be added to the resolutions already adopted.

Mr. HARVEY.—I second that motion.

Mr. ASPEGREN.—I would not want it understood for a moment that I am in favor of the present tariff law, and I do not believe ten merchants out of one hundred in this country believe that the present tariff law is doing this country any good for a single day. We have the maxi-

imum and the minimum clause inserted in the present tariff law. It has been substituted for reciprocity. Now, our tariff has been in existence for about a year. We have never enforced our maximum tariff, and pretty nearly every country in Europe knows we are not going to do it; we are afraid of it. Really, ever since that tariff was adopted, we have been discriminated against, and we cannot help ourselves. I know that, for instance, the great country of Italy is imposing upon one product, that I happen to export, a 50 per cent. ad valorem duty, and England lets it in free. Still, when one country gives us so much better treatment than another does, as Italy is giving us the same treatment that England is on goods that come into this country, only reciprocity will allow us to get really equal treatment. The maximum schedule has never been enforced.

We have on hand now a controversy with Germany on the potash question. It may be dangerous to enforce the maximum schedule, because a tariff at the best is always bad. In the case of a smaller country than this, it might have been that Germany would never have provoked the present situation, but the situation is such that business men over the country pretty well understand that we are to expect no benefit from the maximum and minimum clause, and only reciprocity will do it.

Our present tariff is based on the maximum and minimum clause all the way through, and to offer any suggestions of striking out the maximum clause or striking out the minimum clause or striking out any part would mean to open up the whole tariff question, and I think that this moment is not opportune for it.

On the other hand, I think the business men of this country ought to place themselves on a platform favoring reciprocity, so that these countries that treat us nicely should be treated nicely by us, and those that tell us to go to the dickens would get the same treatment from us.

I believe nothing short of that will give us what we want and for that reason I want to second the motion that has been made by Mr. CARHART.

Mr. HAMLIN.—I simply agree with everything the gentleman has said.

The PRESIDENT.—The Chair thinks that clears the atmosphere pretty well; there is no one like my friend CARHART to pour oil on the troubled waters. He has always done that, and that is why we love him so much. Is the convention ready to vote on Mr. CARHART'S motion?

The motion was agreed to.

Mr. MULLEN.—So that the committee will not be misunderstood, I want to call the attention of the Scranton Board of Trade to the fact that the subject number XLVII was not considered by the committee. The resolution refers to an amendment of the Corporation Tax law, so that in clauses one, two and three, paragraph 2, the words "actually paid" and "actually sustained" be changed to read "actually incurred" and "actually ascertained." The committee did not consider this, because they did not have a copy of the corporation tax law before them. I wanted to make this suggestion to our friends on the Scranton Board of Trade. I would suggest to Mr. HITCHCOCK that he obtain a copy of the corporation tax law, and present it, so we can take action.

The PRESIDENT.—We will defer that until Thursday morning, then.

The SECRETARY.—Am I to add to that second resolution presented by Mr. MULLEN'S committee the amendment offered by Mr. CARHART?

Mr. MULLEN.—That is the understanding.

The PRESIDENT.—Yes, that is the understanding.

RAILROAD TRANSPORTATION.

Mr. CARHART, from the Committee on Railroad Transportation, submitted the following report:—

Your committee appointed to consider propositions XLIX to LIV upon the programme of recommendations

and resolutions to be considered at the Forty-first Annual Meeting of the National Board of Trade submits the following resolutions and recommends that they be adopted:

Resolved, That the National Board of Trade protests against the method of settlement of claims for loss or damage, and urges that where property is damaged or destroyed through the negligence of the carrier the owner shall be reimbursed for the actual loss sustained at the point of delivery.

Resolved, That the National Board of Trade strongly favors the passage of H. R. Bill 17,267, known as the Stevens Bill, now before the Committee on Interstate and Foreign Commerce of the Senate of the United States, which has for its object the regulation of the issue of bills of lading in such a way as to prevent irregular methods in connection with their use, the safe conduct of the vast commerce of the country demanding a reform in the present bill of lading, which it is believed will result from the enactment of the Stevens Bill into law.

Resolved, That the National Board of Trade favors the compilation and adoption of a uniform classification of freights, subject to the approval of the Interstate Commerce Commission, both in its adoption and any changes therein.

E. R. CARHART, *Chairman*,
CLINTON WHITE,
CLARK FAGG,
R. S. LYON,
H. C. REYNOLDS,
WM. D. MULLEN,
N. B. KELLY,
CHARLES ENGLAND.

Committee.

Mr. CARHART.—I move the adoption of the resolution.

The report of the Committee on Transportation was adopted.

INTERNATIONAL COURT OF ARBITRAL JUSTICE.

The PRESIDENT.—Is the report from the Committee on Export Trade and Diplomatic and Consular Relations ready?

Mr. FISH, of Boston.—Mr. President, the committee has considered numbers LV to LXII, and has authorized me to submit the following resolution:—

Resolved, That the National Board of Trade reaffirms its belief that the destruction of wealth and the human misery attendant upon warfare may be greatly diminished by the extension of the method of arbitration in the settlement of disputes between nations, and further expresses the hope that the United States Government may find it expedient to initiate steps to bring about, by diplomatic negotiations, the organization of the proposed International Court of Arbitral Justice and to secure by arrangement among the nations an effective method of enforcing the decrees of that court.

The resolution was adopted.

COMMERCIAL EDUCATION.

Mr. FISH.—The other resolutions are:—

Resolved, That the National Board of Trade records its gratification of the marked improvement which has taken place in general methods of commercial and industrial education.

Resolved, further, That it is the sense of this Board that such instruction is desirable, not only in the higher institutions, but in public and preparatory schools, forming as it does a necessary part of the equipment of every business man.

ENCOURAGEMENT OF FOREIGN TRADE.

WHEREAS, Events of the past year have completely verified the statement of our foreign trade conditions made at the last meeting of this Board, concerning the steady and inevitable reduction in our exportable balance of foodstuffs and the rapid increase of our industrial productivity;

Resolved That the National Board of Trade restates its belief that the foreign trade is to be one of the most important factors in the future prosperity of the United States, and calls for every encouragement, in principle and in detail, which Congress can devise.

FRED. P. FISH, *Chairman*,
W. H. DOUGLAS,
G. WALDO SMITH.

I move the adoption of those resolutions.

Mr. HOWARD, of Chicago.—As I understand the Chairman, part of this is introduced by the New York Produce Ex-

change—in regard to the diminishing volume of our exports, fruit products, and the certainty that they cannot increase, and another statement here that there is a constantly growing demand for our produce.

The PRESIDENT.—Is that the report of the whole committee?

Mr. FISH.—There were only three present. There were two resolutions, LX and LXI, that seemed to cover the whole ground. It was the judgment of Mr. DOUGLAS, Mr. SMITH and myself that LXI would cover the ground adequately, and therefore we reported that resolution, instead of LX, which was in a sense a duplicate of LXI.

Mr. HOWARD.—The objection I make to it is that it is decrying the export grain trade. Why should you not introduce a resolution here covering all exports? Grain men are certainly trying to keep up the grain exports and it seems to me strange that such a resolution would come from New York. I would suggest to have it recommitted and the resolution covering all exports.

The PRESIDENT.—Do you accept that?

Mr. FISH.—I would not accept that without consultation with the committee. I am not sure that the facts would justify us in accepting it.

Mr. HOWARD.—The gentlemen of the East are very anxious for the gentlemen of the West to assist them in the merchant marine. Now, if we have not anything to export you would not expect us to help for the privilege of exporting the manufactured articles of the country.

Mr. FISH.—Would the gentleman be satisfied if the preamble were left out and simply state that the National Board of Trade restates its belief that the foreign trade is to be one of the most important factors in the future prosperity of the United States and calls for every encouragement in principle and in detail which Congress can devise?

Mr. HOWARD.—Yes.

Mr. FISH.—The committee accepts that amendment.

The PRESIDENT.—The question is on the adoption of the resolutions as read, leaving out the preamble:—

WHEREAS, Events of the past year have completely verified the statement of our foreign trade conditions, made at the last meeting of this Board, concerning the steady and inevitable reduction in our exportable balance of food stuffs and the rapid increase of our industrial productivity.

The resolutions were adopted.

The PRESIDENT.—Everything is a compromise in this world, and that is one.

NATIONAL ARBITRATION OF LABOR CONTROVERSIES.

Mr. FISH.—It did not seem wise to report on the resolution with reference to arbitration in labor matters.

The PRESIDENT.—What number is that?

Mr. FISH.—That is No. LVII. That would bring not only the committee, but the National Board of Trade, into a subject that has not yet been thoroughly fought out, or worked out, and it seemed to the committee on the whole that it was preferable not to offer a resolution now in accordance with the suggestion of LVII.

The PRESIDENT.—The committee decided to offer no resolutions on LVII, national arbitration, as proposed by the New York Produce Exchange.

Mr. CARHART.—Well, we will survive.

Mr. DOUGLAS, of New York.—I might say that I hardly think Mr. FISH is correct in that statement, I understood that was to go over. There were only three gentlemen present. But, in view of Mr. CARHART's acceptance, I will not endeavor to change the status.

The PRESIDENT.—Well, you cannot go against the acceptance of Mr. CARHART. You could not recall that.

Mr. CARHART.—I have not accepted anything.

The PRESIDENT.—No, you simply said you would survive.

Mr. DOUGLAS.—Did you announce that the Committee would have to convene again to report to the Board with reference to the question of the consular service and reform? We will have another meeting.

Mr. FISH.—The question of consular service and reform, again, forms a subject upon which we have made no report. That will have to remain for a further meeting of the committee.

The PRESIDENT.—Then, Mr. FISH, have that prepared in triplicate, so as it can go through the proper course. That will be a subject taken up again by your committee and presented.

The next committee is National Bankruptcy Act. That has made its report. The next is Government Inspection of Grain. Can that come up?

Mr. HOWARD, of Chicago.—The Chairman is not present.

IMMIGRATION.

Mr. MCKIBBEN, of Boston, submitted the following report:—

The committee to which was referred the resolution presented by the Pittsburg Chamber of Commerce relative to the need of a better distribution of immigrants now coming in at our ports, respectfully submits the following report:—

The great volume of immigration flows into the United States at Ellis Island, New York. A great majority of those who seek our shores as immigrants come with very little money, and of necessity are obliged to either remain in New York City or in close proximity thereto. The vast majority of the male immigrants coming to the United States were either farmers or engaged in farm work or common labor in Europe. In the agricultural sections of this country there is a large and growing demand for the services of just such men as these, but unless they are informed as to the opportunities which are open to them on the farms they remain in ignorance of the real facts, and are likely to become dwellers in the slums of the large cities, rather than workers in

the fields of the nation. Only those who have friends in the interior willing to aid them are likely, under ordinary conditions, to go many miles away from the seaport.

On July 1, 1907, there was established in the Department of Commerce and Labor, a Division of Information, the duties of which should be to promote a beneficial distribution of aliens admitted into the United States. This Division was authorized to collect information concerning the resources, products and physical characteristics of the various States and Territories, and to present these facts to admitted aliens and to all others who might desire this information. That division aims especially to supply immigrants with information, and to direct their steps to places in the interior of this country where they may better their condition.

The division secures its information by corresponding with the representatives of the States, counties and municipalities as to the opportunities for laborers in their respective localities. An official in each county is corresponded with and requested to state where lands are available for cultivation in his county, the prices of land, its proximity to and means of transportation to the market, the kinds and number of crops, the schools and their grades, the churches—in fact, every item which a homeseeker would inquire about is sought by the division through recognized sources of authority, and this in turn is verified later.

The department at present has offices for the collection of this information at two ports only—New York and Galveston. Its operation in those cities has had the effect of paving the way for a substantial relief of the congestion in our cities.

In view of the beneficial results of the operations of these two bureaus, and of the desirability of securing a wider distribution of our immigrants, the passage of the following resolutions is recommended:—

Resolved, That the National Board of Trade commends the work done by the Immigration Bureau, through its Division of Information, in placing at the disposal of immigrants information which enables them to obtain employment at interior points, and especially on our farms, and thus tending to prevent a further increase in the overcrowded slums of our cities; and recommends the providing by Congress of a larger appropriation to make possible the opening of branch offices of this division at the various seaports of our country; and

Resolved, That, as a means of more equitably distributing our immigrant population, and as a means of relieving the congestion of our Eastern coast cities, the National Board of Trade approves the suggestion of President Taft, that additional stations for the reception of immigrants be established at one or more South Atlantic or Gulf ports.

Mr. LOGAN, of Pittsburg.—I move the adoption of the report.

Mr. HARVEY, of Philadelphia.—I second the motion.

The report was adopted.

ADMINISTRATION OF PATENT LAWS.

The PRESIDENT.—The next is Administration of Patent Laws. Mr. FISH has that in charge.

Mr. FISH, of Boston.—I think we all realize that the patent system of the United States has been of controlling importance in the development of our industry. Our pre-eminence in many industries and our success in all have been largely due to the fact that we have undoubtedly the best patent system in the world. But good as has been that system, it has been in its administration the subject of many defects, and a good many of us who are familiar with it have been for a long time studying the problem to see how the procedure and the administration of this admirable patent system can be improved.

A number of years ago it became absolutely certain to those of us who are familiar with the subject that one of the first things to be done in order to put the administration of this law in proper shape was to establish an independent court of patent appeals.

Prior to 1811 the Supreme Court of the United States was the tribunal which was the Appellate Court for all patent cases, but in that year there was a reorganization of our judicial system, due to the fact that the Supreme Court was overcrowded with work, which resulted in nine Circuit Courts of Appeals in various parts of the United States; one, for instance, for the States of Maine, New Hampshire, Rhode Island and Massachusetts; one for Vermont, Connecticut and New York, and so on, until the ninth covers the Pacific slope. That resulted in bringing about the situation that there was no longer a single Appellate Court

determining all the questions that came up in patent cases. But there were nine courts instead, and no right of appeal to any single tribunal.

The Supreme Court sometimes, as a matter of favor, will send down for a record in a case by a writ of *certiorari*; but the Supreme Court is overburdened with work and rarely gives the parties the benefit of that form of appeal.

The result is that in these nine courts of appeal there has been a mass of decisions which are not in harmony with each other, there is no uniformity of view. The atmosphere is different in the different courts of appeal and the patent system has been definitely unsettled by the fact that these courts approach the subject in nine different ways, and that the decision of one is not binding upon any of the others. A patent that is sustained in one circuit may be declared invalid in another. And on the other hand, where the defendant has succeeded in one circuit there may be another suit in which the plaintiff will succeed in some other circuit. The result is that patents are sometimes in litigation for practically the whole of their term.

This is a most extraordinary hardship to the public. Of course, every patent suit is really a question between the owner of the patent and the entire American people, for a patent runs for the whole country, and if it is good as against one man who happens to be sued it is good against a hundred or a thousand or ten thousand or a hundred thousand men who want to use that device. If it is bad, it is bad against everybody. It is a matter of the utmost consequence that the validity and scope of the patent should be determined at the earliest possible moment. If it is not so determined, then the public does not know its rights, people do not know whether they are bound to respect that patent, which is for something they want to use, or whether, on the other hand, they are free to use it. But after the first suit, which ought, in accordance with all sound theories and practice, to settle the entire question, there really is too often the beginning of further litigation investigation, for, as I say, however that suit goes, other suits are apt to be begun in

other courts on the chance that some of the other courts will come to a different conclusion.

A good many years ago those of us who were disturbed at that situation brought up in the American Bar Association a bill for a National Court of Appeals, which has met with universal favor everywhere. It has been strongly advocated by the American Bar Association. It has been promoted by the National Society of Manufacturers and many other manufacturing and commercial organizations throughout the country, as well as by many other bar associations.

The bill provides for an Appellate Court of a peculiar character. We all feel that we do not want a court that is a court of mere specialists, who spend their lives on one subject and therefore would be incompetent to deal even with that subject—which is always the case where men deal with one question and nothing else year in and year out. The scheme of this particular bill which is now pending in Congress is that the very men who have been appointed by the President as Circuit judges, and whose duty now is to decide patent cases on appeal in one or other of the nine districts, shall still decide the patent cases; but instead of there being nine tribunals, the Supreme Court of the United States shall send down into the circuits from Maine to California and bring up four men to assist, with one Chief Justice, who will be a permanent officer of the court, and to determine the appeals in patent cases those four judges who are brought up for this Appellate Court shall sit for terms of six years.

That gives us the advantage of having the very men who are selected, not because they are patent men, but because they were judges qualified for the work in their particular communities, to continue to do the work for which they were appointed, but to do it under such conditions that there is one court and not nine.

The result is sure to be that after the first trial of a patent in the early stages of infringement of the patent, substantially all the questions will be settled, for with that single Appellate Court its decision will be binding on all the courts in the land. With nine Appellate Courts their

conclusion is not binding anywhere except in their own limited territory.

In addition to that, if this proposed plan is carried out, when these men that have been brought up from other circuits come back to their circuits, they come back as accomplished patent judges who have not only read the books and decisions, but have actually sat in the Appellate Court, and the result will be that in the course of time there will be thoroughly intelligent judges trained in patent cases all over the United States, thus confirming what we are after, and that is, an absolutely definite system of patent law, so that lawyers can advise with intelligence and the public can find out what are their rights.

Now, gentlemen, this is a very serious matter for everybody. I should not like to state my view as to the tens of millions, in fact, hundreds of millions of dollars that depend upon the accurate decision of these patent cases. I should not like to attempt to describe the hardship to the community on account of the fact that under the present conditions there is so much uncertainty in patent law.

One other thing. The procedure in patent cases is cumbersome and ineffective and leads to much injustice. There is no doubt that with this single Court of Appeals dealing with the subject it will be greatly improved, which would be a matter of the utmost importance.

At the present time a bill is pending in Congress which has been several times approved by the Committee on Patents, and has been reported favorably by the Judiciary Committee of the House, and now we have just had a hearing before the Committee on Patents in the Senate, and we are extremely anxious that that bill—and I speak for the American Bar Association and other associations as well as for myself—should pass at this session if it is possible for it to pass. A special effort is being made to interest the business men of this country, who of all others are the ones that suffer, even if they do not know it, because of this condition of things, to help out in this matter.

The result is that Mr. REYNOLDS and myself have agreed on a report which will commit the National Board of Trade

to favorable action on this bill, and we have put the recommendation in a form that is rather unusual, but which I think you will see is really the best form at this time.

A week ago last Friday I was here in Washington at a hearing of the sub-committee of the Committee of the Judiciary of the Senate, which has that bill in hand and is now considering it. We should like to have the National Board of Trade, representing as it does so many interests of all parts of the country, send a memorial to Congress. Other bodies are doing it throughout the United States—for instance, the American Bar Association and other associations have definitely instructed Congress as to their views. Therefore I am authorized by Mr. REYNOLDS, and speaking also for myself, to offer the following resolution:—

Resolved, That the following memorial be executed by the President and Secretary and transmitted to Congress:—

To the Senators and Representatives of the United States in Congress assembled:—

The National Board of Trade is made up of a large number of commercial and manufacturing associations and bodies from all parts of the United States, which are organized for the general benefit in matters of public concern and not for private purposes. It respectfully presents this memorial to Congress:—

The National Board of Trade its members and all individuals engaged in business throughout the United States are deeply concerned in the passage of the pending bill (H. R. 14,622 and Senate 4,982) to establish a United States Court of Patent Appeals. The business interests of the entire country are vitally affected by the administration of the patent law, and the uncertainty and confusion which inevitably result in that branch of jurisprudence from the divided jurisdiction vested in nine independent United States Circuit Courts of Appeals, are a serious loss and injury to the whole community.

Therefore, your memorialist asks of Congress speedy consideration of said bill and its enactment as law.

Presented in pursuance of a vote of the National Board of Trade at its annual meeting at Washington, D. C., January 17, 1911.

Respectfully submitted,

H. C. REYNOLDS.

FREDERICK P. FISH.

I should be very glad to say anything more that is desirable on this subject, because it is one I have had in

hand for many years. There is absolute necessity for a change and reform in the administration in the patent laws.

Mr. REYNOLDS, of Scranton.—Showing how vitally it touches a great many interests in this country, while it may not appear to you if you are not an inventor, as being of any particular interest, I would like to say that in my own experience, representing a little corporation called the Menzies Knitting Company, they adopted a device for knitting socks. The company spent a lot of money for machinery and then proceeded to the manufacture of stockings. The company ran awhile, until one day it was notified that it was using machines that had been pronounced an infringement in another Circuit Court jurisdiction. It went along until finally the complainant, who established its right in the court, notified the Menzies Knitting Company that it must cease to use those machines, which it did. The whole thing was sold at sheriff's sale.

That case dragged itself along through the slow process of the courts in the various jurisdictions, until finally the Menzies Knitting Company was ruined. It was an entire loss.

So I say it touches the manufacturer particularly.

Mr. HAMLIN, of Boston.—I move the adoption of the report.

The report of the committee was adopted.

The PRESIDENT.—Our Secretary and President will get up that memorial in proper form and it will be sent as you ask.

Mr. HAMLIN.—I move that Mr. FISH be requested to present the memorial during our meeting.

Mr. FISH.—If you will send me the memorial I will present it. Send it to my address.

LETTER FROM HON. JOHN BARRETT.

The PRESIDENT.—Before we adjourn the Chair has one or two things to present to the meeting.

In the first place, here is a very kind letter which the Chair thinks Pittsburg will be very much interested in:—

MY DEAR MR. PRESIDENT:—

Upon my return to-day, after an absence of nearly a month for my health, I find your kind note of January 9th, enclosing a copy of the resolution of the Pittsburg Chamber of Commerce in regard to the promotion of trade with Latin America, the Pan-American Union, and myself. I thank you for letting me see this, for I appreciate it very highly.

Yours very cordially,

JOHN BARRETT,
Director,
Pan-American Union.

Thereupon, at 10.45 P. M., on motion of Mr. HITCHCOCK, the convention adjourned until to-morrow, January 18th, at 10.30 o'clock A. M.

SECOND DAY.

WEDNESDAY, JANUARY 18, 1911.

THE BUSINESS MEN'S MONETARY CONFERENCE

Held Under the Auspices of

THE NATIONAL BOARD OF TRADE.

The PRESIDENT.—At our last convention resolutions were adopted favoring a very active campaign among the various organizations making up this National Board of Trade in the interest of a better currency law. This Board has recognized and appreciated in the highest degree the great work that the National Monetary Commission has been doing, and, in interviews with the Chairman, Senator Aldrich, Congressman VREELAND and others, they have approved of the work that this Board has been engaged in, and since then Senator Aldrich has spoken to your President in the highest terms of the widespread work this Board has done through its constituent members and others.

Following the desire of the National Monetary Commission, we have placed a most valuable man on that work, and we have been in correspondence not only with our own constituent members, but with 125 of the great Chambers of Commerce of our country. Appreciating the very hard task of the Monetary Commission and following the desire of that Commission, as well as every business man and every business organization in the country, we have put our shoulders to the wheel to assist the good cause of bringing about an early solution of this very important question.

Only recently in New York, at a very important conference at the Academy of Political Science, I had the pleasure of listening to several speakers, all of whom thought

it was a very essential part of our business to help as much as we could to get a consensus of opinion of the best men of our business organizations. In consequence, by the authority of our Board of Managers, I have called this convention together. There are men here representing the most powerful interests of the country, who are deeply interested in what we are doing. We want it known that this joint meeting of the National Monetary Conference with the National Board of Trade is held for the purpose of concentrating the views of the people of America, and for that purpose I have thought it better that I should ask a very distinguished author on finance to preside at this conference to-day; so, with your consent, and I know it will meet with the approval of the entire conference, I have asked the Hon. C. STUART PATTERSON, who was President of the Indianapolis Monetary Conference, to preside to-day. I now have the pleasure of introducing Mr. PATTERSON. [Great applause.]

Mr. C. STUART PATTERSON took the Chair as presiding officer and Mr. A. T. ANDERSON acted as Secretary.

The PRESIDING OFFICER.—Mr. President and gentlemen, I thank you for the very great honor you have done to me in asking me to preside over your deliberations to-day.

It is a great pleasure to me to meet again many of my friends of the National Board of Trade, whom I have not had the pleasure of seeing for many years, as it is also a great pleasure to me to meet the other gentlemen who are here to-day.

I do not intend to inflict upon you a long speech. Your presence here attests your interest in the subject.

We all know that the currency of this country is not in a condition which is creditable to the legislation of the country. We ought to have the very best currency, whereas we have a currency that is very far from the very best. We have a currency of too many different kinds—a currency composed partly of Government obligations in the shape of legal tender notes and partly in the shape of silver dollars, which are nothing more than Government obliga-

tions. A currency of that sort does not fulfil the functions of any proper system of currency. It does not expand and contract in accordance with the demands of the business of the country. It expands only when and as the Government makes payments; it contracts when and as money is paid in to the Government. We have a National bank currency which is perfectly safe, but which is open to the same criticism. It does not respond to the demands of trade.

It is not only that the currency system is defective. The financial system is defective. The National banks are bound by a rigid rule to the maintenance of reserves, violations of which rule have been winked at by the Comptroller of the Currency, and the reserves do not fulfil the proper aim and object of reserves.

The system is also defective in that there is not with us, as there is in every other civilized country, doing a large commercial business, any regulative force controlling the rate of interest and maintaining the integrity of the reserves.

These defects are not the defects of to-day nor of yesterday; they have existed for a long time, and, as I said before, it is not creditable to us that these difficulties have not been properly met and mastered. But I think we can all feel that the skies are brightening, that there is hope before us.

Under the lead of Senator Aldrich a campaign of education has begun which has certainly enlightened much ignorance, and it is to-day the paramount duty of the business men of the country to do everything in their power to hold up the hands of the Aldrich Commission, to aid them in spreading throughout the country a proper and intelligent understanding of this question, and thus bring into play the force of public opinion which will mould and control legislation.

I am now ready to hear anything that may be offered.
[Great applause.]

Mr. PAUL WARBURG.—Mr. Chairman and gentlemen, I do not think we could have met at a more psychological moment than to-day, when Senator Aldrich has for the first time

brought out a definite plan. There are a great many resolutions and suggestions that have been made and which will be brought before us for consideration, and I think it important, and the country wants to know, what we are going to do. I therefore move the appointment by the Chair of a Committee on Resolutions.

The PRESIDING OFFICER.—Mr. WARBURG has moved the appointment of a Committee on Resolutions. Is that motion seconded?

The motion was seconded and carried.

The PRESIDING OFFICER.—As the Chair understood, nothing was said by Mr. WARBURG covering the number of members of that committee or how it should be appointed.

Mr. WARBURG.—I move that that be left to the Chair.

The PRESIDING OFFICER.—What is the pleasure of the convention with regard to the mode of appointment of the committee?

A DELEGATE.—I move that the committee be appointed by the Chair.

The motion was seconded.

The PRESIDING OFFICER.—It is moved and seconded that the committee be appointed by the Chair and that the number of members of the committee be fixed by the Chair. Are there any remarks upon that?

The motion was agreed to.

Secretary ANDERSON.—There are several resolutions that have been sent to us. What shall be done with them?

The PRESIDING OFFICER.—Gentlemen, various resolutions have been sent in by different organizations. Unless the convention otherwise directs those resolutions will be read by their titles and be referred to the Committee on Resolutions. Does that meet the pleasure of the convention? The Secretary will read those resolutions by their titles.

Secretary ANDERSON.—Resolutions on Banking and Currency from the Philadelphia Board of Trade, the Spokane

(Wash.) Chamber of Commerce, Scranton (Pa.) Board of Trade, Davenport (Iowa) Commercial Club, New York Produce Exchange, New York Chamber of Commerce, New York Merchants' Association, Wilmington (Del.) Board of Trade, Quincy (Ill.) Chamber of Commerce, and I understand there are some other resolutions that have not yet been reported to me.

The PRESIDING OFFICER.—If it be the pleasure of the convention, any resolutions subsequently reported to the Secretary will take the same course, of reference to the Committee on Resolutions.

The Chair now announces the appointment of the following-named gentlemen as members of the Committee on Resolutions:—

PAUL WARBURG, JOSEPH FRENCH JOHNSON, IRVING T. BUSH, WELDING RING, SAMUEL SACKS, CHARLES ENGLAND, EDWARD A. FILENE, F. L. HITCHCOCK, GEORGE H. MAXWELL, JOHN P. TRUESDELL, C. O. VAILLE, JOHN SCOTT, R. J. MCLEAN, FINLEY ACKER, HOWELL E. ENGLAND.

The next business on the programme is an address by Hon. A. PIATT ANDREW. Is Mr. ANDREW present?

President LA LANNE.—Mr. ANDREW is not here, but will be here in a few moments. Will the Chair call for Mr. FINLEY ACKER?

The PRESIDING OFFICER.—Mr. ACKER is called. It is not necessary that I should introduce Mr. ACKER to this audience.

Mr. FINLEY ACKER, of Philadelphia.—Mr. Chairman and gentlemen, if I am to respond to this request it must be under protest, because I had no intention of saying anything upon this subject at this time. Simply because President LA LANNE knows that a certain time has to be filled in, and suspecting that I possess an amiable disposition, he calls upon me to respond to his invitation. I must say frankly in advance that I have no definite address to make in advance of the general discussion. What I expected to say on the subject would have been at a later time in the day.

I will say this, however: I suppose all of us have had the pleasure of reading the suggested plan of Senator Aldrich for the improvement of our monetary affairs. There is one feature in a recommendation by Senator Aldrich in his letter to Mr. VREELAND, which, it seems to me, is well for us to bear in mind, not alone in the consideration of this subject, but in framing resolutions, if we do frame resolutions on this important question. In that letter he makes this statement:—

I, of course, do not expect the immediate approval of the Commission or that any formal action will be taken upon it. The plan suggested is a personal one that I fully believe will answer the requirements of changed conditions. It will certainly furnish to the commercial organizations in the country, who are now considering this subject, a basis for criticism and discussion.

He also says, on page 4, after stating that he has prepared an outline for a tentative plan for the revision of our National banking system:—

I recognize the fact that the formulation of a definite plan is the task of the Commission, and can be accomplished only after the subject has been studied with care in all parts of the country. Discussion will certainly modify and improve its details.

I hope that the plan which I now submit for your consideration, and which, in its main features, in my opinion, meets the necessary requirements, may be found of value to the Commission in the necessary work of construction.

I am calling attention to the attitude of Senator Aldrich in order to disabuse our minds of the thought that, after a few hours of consideration and discussion, we shall be prepared to adopt resolutions which will clearly define our position on this great question which the National Monetary Commission has been studying for two years, and whose first formulated plan we have had no opportunity of considering until within the last few hours.

Mr. Chairman, in the resolutions which were adopted a year ago by the National Board of Trade you will recall that we made no attempt to specify just how our banking and currency system was to be reformed, but we laid down certain fundamental principles. After the meeting of last year. I sent copies of our resolutions to Congressman Fowler, who represented one phase of the subject, and

to Senator Aldrich, who was supposed to represent another phase of the subject, and from both those gentlemen I received an unqualified indorsement of the principles adopted by the National Board of Trade at last year's session. By reason of that double indorsement, coming from two different financial authorities, I think it is well for me at this time to read the resolution we then adopted, as I think it will furnish a safe basis for our probable action to-day.

Resolved, That the National Board of Trade reaffirms its advocacy of a currency system which will be based upon the following fundamental principles and ensure the following results:—

First.—Be absolutely fair and impartial to all interests and to all localities.

Second.—Ensure at all times an adequate supply of properly safeguarded currency.

Third.—The volume of said currency to automatically expand and contract in response to the normal demands of the manufacturing, commercial, agricultural and all other legitimate interests of the country.

Fourth.—Said system to be absolutely free from domination or control by political or any other favored interests.

Those principles have been recognized, I think, by all students of finance as being absolutely sound.

Now, the work of the Monetary Commission, the work of this organization and the work of Congress is and should be to devise a method whereby those principles shall be absolutely carried out, regardless of whether that system be what may be called a central banking system or by any other name, because if all those principles are strictly carried out I think the public will be well served.

There is one section of this resolution, however, which it seems to me is not carried out by Senator Aldrich's plan. What I say here is not in the way of adverse criticism, but it is with the view of directing attention to certain features, in order that we may reach correct conclusions. The third section of the resolution is:—

The volume of said currency to automatically expand and contract in response to the normal demands of the manufacturing, commercial, agricultural and all other legitimate interests of the country.

Two or three years ago, in the study of this question, the trend of thought among officers of National banks and among the commercial people of the country, was that a true credit currency would automatically expand and contract in response to the natural demands of trade more readily and truly than any other form of currency. We know that our present system of bond-secured currency does not so respond, but that the volume of our bond-secured currency is dependent on the price of bonds, and whether it is more profitable for the banks to issue currency on those bonds or sell their bonds.

A true and scientific credit currency, equal in amount to the paid up capital of the banks, and in excess thereof under certain conditions, and secured by the same class of assets and reserve now required for deposits, would absolutely and automatically regulate the volume of currency according to the seasonal demands for currency or for bank credits.

Take Philadelphia, for instance, where we have large manufacturing establishments; the Baldwin Locomotive works, with its 20,000 employees, required an immense amount of currency every week with which to pay those employees. What do they do? They use part of their bank book credit and convert it practically into a bank note credit and distribute that among their employees.

In our large department stores the daily receipts of actual currency are enormous, but they do not want currency, they want a bank book credit; and they deposit their currency in the bank in exchange for bank credits.

The PRESIDING OFFICER.—If Mr. ACKER will kindly pardon the interruption, I am sure the delegates will all be gratified if Mr. VREELAND, whom I see present, will take a seat on the platform. [Applause.]

Mr. VREELAND.—I thank you very much, Mr. Chairman, but I prefer to remain on the floor.

Mr. ACKER.—I am sure Mr. VREELAND's presence excuses me from taking up more time.

The PRESIDING OFFICER.—He is not to speak until afternoon.

Mr. ACKER.—Then at the request of the Chair I will continue.

In the department stores in Philadelphia they have a large volume of currency which they do not need for present demands and which they deposit in the banks.

In the discussions which took place two years ago the commercial interests of the country were almost universal in recognizing the fact that the most convenient form of currency, the currency that responded most automatically to the demands of trade, was a guaranteed credit currency. Of course, there was a feeling at that time that a credit currency might be unsound, but it was demonstrated at that time that that fear was not justified, for the reason that exactly the same reserve of gold and the same class of assets as are required against deposits would be required against the issues of these guaranteed credit notes. More than that, a fund representing 5 per cent. of the notes in existence would be deposited in Washington as a guaranty against failure of any bank; and inasmuch as the failures of all banks up to this time have been, I am told, less than 1-13 of 1 per cent. of the total deposits, it may be seen that a 5 per cent. guaranty and a 2 per cent. tax upon circulation would be ample to protect those circulating notes in case of failure of any bank. That was one feature brought out in the several bills before Congress, and brought out, too, perhaps somewhat modified, by the American Bankers' Association, and those principles of a properly safeguarded currency became quite current at that time. But within the last year or two there has been no organized effort to disseminate those views, but, on the contrary, most of the literature which has recently been published upon the subject has been devoted to the advantages of central banks.

In view of Mr. WARBURG's splendid work and his enthusiastic advocacy of a central bank, I am rather sorry to know that the information which has been disseminated within the last year has been rather in the one direction—towards the centralization of our financial affairs, instead of carrying out the more automatic principles that were so heartily indorsed two years ago. As a member of the Na-

tional Currency Association, organized about two years ago, I recollect that all the members were heartily in favor of a credit currency, as expounded at that time, but we took the position that until the National Monetary Commission should have completed its investigations and arrived at its conclusions, it would be unwise for us to send out any arguments in regard to our position. We felt that we should study the question and derive the benefit of all later information until the National Monetary Commission could furnish us its conclusions, and then, when that Commission should have made its final report and when those ideas would be embodied in a specific bill, then the National Currency Association should reassemble and seriously consider the recommendations of the Monetary Commission.

Therefore, gentlemen, I am asking you to bear in mind two vital features in connection with this discussion to-day:—

First, that Senator Aldrich, according to his specific published statement, does not expect this organization or any other organization immediately to pass upon his recommendations, but he expects this and other organizations to carefully study the very complex plan which he has submitted, so that the conclusions will not be superficial, but will be based upon an absolutely sound and dispassionate investigation.

The second point I will ask you to bear in mind is this: That the trend of thought two years ago was absolutely in the direction of a sound guaranteed credit currency as being the ideal method for automatically expanding and contracting in volume with the natural demands of trade.

But whatever plan is suggested, whether it bear the name of central bank or any other, I will ask that this test of automatic expansion and contraction be applied, because unless that is satisfactorily secured we shall have a faulty system, not an ideal system.

I thank you, gentlemen, for your attention. [Applause.]

The PRESIDING OFFICER.—Something that was said by Mr. ACKER recalls to my mind that I was a member of the Indianapolis Currency Commission, which first put forth in

a definite form the theory of a credit currency. But before we did that we carefully considered the question of a central bank.

Remember, however, that in the year 1897, when we met at Indianapolis, the temper of the public mind was very materially different from the temper of the public mind to-day. We said then to ourselves that, while the argument was a very strong one—nay, more than a strong argument—for a central bank, yet, in the then temper of the public mind it would not be possible to put that scheme forth with any hope of its adoption to any extent whatever. But the country has moved since then. The country has become much more homogeneous, much more closely knit together than it was in the year 1897. There has been an enormous advance in centralization and in everything, so that that which was not possible at that time may well be possible to-day.

We have learned since 1897 that one practical result of the adoption of a system of credit currency is that it necessarily depends upon the proposition that every bank shall join in guaranteeing every other bank. While we believed that our plan was so absolutely safe that the guaranty would not impose any practical liability, yet we very speedily convinced ourselves that the sentiment of the banking interests of the country was unalterably opposed to the idea that the banks would mutually guarantee each other, and it became perfectly certain to us that it would not be practical to put that system into operation.

I am very glad now to see that Dr. ANDREW is here, and it will give us all very great pleasure to hear him. It is not necessary that I should say anything in presenting him to you. [Applause.]

ADDRESS OF HON. A. PIATT ANDREW, ASSISTANT SECRETARY OF THE TREASURY.

Mr. Chairman and gentlemen of the National Board of Trade: Those who are interested in establishing a more stable and adequately equipped financial system in this country have especial reason to-day to congratulate themselves upon the

progress of thought along those lines. One has only to compare the plans for banking reform proposed a decade or more ago with that which was proposed by the Chairman of the Monetary Commission yesterday to realize what a striking enlargement of view has been achieved by those who are studying means of improving our banking system. The best financial thought of the nineties, as embodied, for instance, in the so-called "Baltimore Plan" of the American Bankers' Association in 1894, or in the report of the Indianapolis Commission of 1898, contented itself with suggestions of "a more elastic note issue," and the debates of even as recent a period as the winter of 1907 and 1908, both in Congress and in the press, indicated that a similarly limited outlook still prevailed. During the last three years, however, under the auspices of the National Monetary Commission, the needs and practices of American banking have been subjected to a fresh and far more searching analysis than had ever been made before, and they have been scrutinized as never before in the light of the experience of other countries. The results of this analysis and comparison are evident in many directions. Very rarely to-day will one find any authority upon banking asserting that the banking arrangements of the country can be satisfactorily revised by merely amending the note issue regulations. One finds, on the contrary, almost a unanimity of demand for other and more far reaching reforms. This demand was voiced in practically every speech at the recent Monetary Conference of the Academy of Political Science in New York, but above all, it finds impressive expression in the ambitious and masterful proposals of the Chairman of the Monetary Commission.

DEFICIENCIES IN EXISTING SYSTEM.

What are, in brief, the general deficiencies in our banking system which almost everybody has come to agree require correction? They can be grouped under at least six rubrics, as I conceive them:—

First.—The lack of any mechanism of sufficient range and power and known to be sufficiently disinterested to secure

co-operation, unity of policy and uninterrupted exchange among the banks in different parts of the country.

Second.—The unavailability of banking reserves which results from the rigidity of the reserve laws and from the actual parcellization of reserves among 25,000 banks.

Third.—The lack of any well organized market for commercial paper and the consequent necessity felt by our banks, in order to keep their funds liquid, to lend large amounts on call upon stock exchange collateral.

Fourth.—The absence of any flexibility in our note issue and the uncommercial character of the assets required by law to secure the notes.

Fifth.—The intermittent interference of Government finance with business, resulting from the segregation of Government funds in the independent treasury.

Sixth.—The lack of uniformity in banking privileges and regulations, due to the existence of several classes of banks subject to the varying laws of forty-six States

It is unnecessary before an assemblage like this to discuss at length the significance of these deficiencies. You are all well aware from your own experience of their existence and their import. Scarcely more than three years ago you saw the banks in different parts of the country engaged in a life-and-death struggle to obtain each other's cash; you witnessed a general suspension of payments among the banks and a consequent cessation of exchange between different cities; you experienced the rigidity and immobility of our reserve under these circumstances; you felt the lack of any available market where commercial notes and bills could be discounted and converted into usable funds in time of emergency; you witnessed the effect of forcing the banks to keep auxiliary reserves in the stock market; your attention has been called time and time again to the unresponsiveness of our note issue to seasonal changes in currency demand and even to emergency requirements in moments of greatest stress.

These are obvious facts which I only enumerate in order that we may better understand the scope and intention of Senator Aldrich's suggested plan. Having them clearly in

mind we may then see how far and how squarely he has faced them. Discussion of details can be postponed until later. The important question at the outset is whether the plan in its broad outlines covers the field and is based upon sound principles.

FUNCTIONS OF THE RESERVE ASSOCIATION.

In the proposed Reserve Association of America, an institution is outlined to be owned exclusively by the banks and to deal exclusively with them. This institution, because of its preponderant capital and resources, its peculiar privileges and its recognized responsibilities, is intended to form a common bond between the banks, to serve them mutually and jointly, and to exert a controlling influence over their activities. It is intended that it shall clear their mutual accounts, not only within the same city, but between different cities; that it shall hold a large part of their cash reserves; that it shall furnish an ever ready market for their best commercial paper, very much as the stock exchanges furnish a market for stocks and bonds; that it restrain extravagant speculation, and control in some measure the movements of gold to and from the country.

With such an institution in existence the rigidity of the reserve operations would no longer be felt, for a bank could always increase its reserves by transferring to the Reserve Association some of its commercial paper in exchange for an increased balance upon its books; and for the same reason the banks in our large cities would not feel under the same obligations as at present to keep large portions of their funds liquid by loans to the stock market. On these accounts solvent banks could not be forced to suspend, and domestic exchange would not collapse.

NOTE ISSUE REGULATIONS.

In regard to note issue, the plan provides a mechanism by which the bond-secured currency shall be retired and a flexible issue based upon general assets shall gradually be sub-

stituted, while ingenious methods are proposed for accomplishing this end without either depressing the value of the outstanding bonds or causing additional expense to the Government. The Reserve Association is to take over the bonds now held by the banks, along with all responsibility for the redemption of their outstanding notes, and as these notes are presented for redemption it is to issue its own notes in their stead. The association is then to be authorized to dispose of \$50,000,000 of these bonds per year in addition to whatever bonds may be recalled and redeemed by the Government, or may be purchased by the trustees of the postal savings system, so that within a decade or so the plan contemplates the complete extermination of the bond-secured currency. Meanwhile the fluctuating needs of the community in different seasons for different amounts of money are provided for by additional issues upon payment of a graduated tax, increasing from 3 per cent. for the first \$100,000,000 to 6 per cent. for the fourth.

GOVERNMENT FUNDS.

With regard to the independent treasury, which has exerted a potently disturbing influence at various times through the absorption of vast amounts of money from the circulation and through their reinjection into trade, the plan proposed to avoid those inconveniences in the future by substituting for the antiquated system of treasury hoards the deposit and disbursement of treasury money through the Reserve Association. Thus Government moneys can remain in the continuous service of the community and still be utilized by the Government as occasion demands.

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NEW PRIVILEGES FOR NATIONAL BANKS.

The National banking system has suffered in recent years because of the rigidity of the Federal banking laws as compared with the banking and trust company laws of the several States. Not only are the laws of many of the States much freer in regard to the amount of capital and of reserve re-

quired, but also as to the kinds of business which may be carried on by their banks; and, as a result, State chartered institutions have increased in size and number in recent years much more rapidly than the National institutions.

The Aldrich plan, without reducing the requirements for capital and reserve, contemplates the restoration and rehabilitation of the National banking system by allowing certain classes of National banks to open savings departments and to lend upon real estate; other classes of National banks to conduct business in foreign countries, and still others to exercise the functions of trust companies under proper restrictions.

CONTROL OF RESERVE ASSOCIATION.

Any plan which contemplates the establishment of a new financial institution of such scope and powers as the Reserve Association must guard most carefully to avoid control by particular interests or subjection to political influences.

The Aldrich plan presents ingenious and carefully contrived arrangements for preventing both of these contingencies. Monopoly of stock control is out of the question, for the capital stock is not subject to sale or transfer and can only be held by banks in proportion to their capital. Domination of the directorate by the banks of any locality or any group of interests is also guarded against by the carefully devised provision through which the directors of the Reserve Association and its branches are to be selected by a distribution of voting power among local associations of banks in different geographical areas.

No political party can gain control or influence over the association for the same reason. The Governor is to be selected by the President from a list to be submitted by the Board of Directors, and, like the Chief Justice of the Supreme Court, will practically serve for life. The intrusion of politics is further prevented by a regulation that no member of any National or State Legislature can serve as director either of the Reserve Association or of any of its branches or of any local association.

SIGNIFICANCE OF ALDRICH PLAN.

Such are the larger outlines of the suggested plan of the Chairman of the Monetary Commission.

The plan provides, for the first time, a co-ordinating mechanism between the banks of different parts of the country which should secure unity of policy and uninterrupted exchange between them. It eliminates the present inflexibility of reserves by providing for their concentration in a single institution and by arranging for the increase of the reserves of a particular bank through the rediscounting of its paper by that institution. It provides for a National discount market with prime commercial bills which can be translated into available funds with the same facility that standard stocks may be converted into funds to-day upon the stock exchanges. It does away with the bond secured currency and in its stead offers a flexible note issue based upon commercial assets. It eliminates the objectionable features of the independent treasury system and provides for the deposition and handling of public moneys through a banking institution. Finally, it proposes to eliminate the irregularities which now exist between the Federal and State banking systems by extending to banks subject to Federal charter many of the privileges which are now enjoyed by the State-chartered institutions, and by drawing into a common system, National banks, State banks and trust companies.

The plan embodies most of the features which are common to the banking systems of other important countries, and which we hitherto have lacked. Yet it does not attempt to reproduce in this country any institution existing elsewhere. The Reserve Association is not like the Reichsbank or the Bank of France or the Bank of England, yet it embodies among its functions the valuable features common in all of these institutions.

There has been but little constructive legislation in this country since the early days of the Republic. From the time of Alexander Hamilton down to the present day the only important legislation of this character to which one can point is the institution of the National banking system

under the leadership of Secretary Chase. The National Bank Act provided the country for the first time with a uniform currency, subject to uniform laws in all parts of the country and of the same value everywhere. It was the first step looking toward the unification of our banking system; it brought a considerable measure of unity into our note issue. The plan which is before us proposes to complete this unification of the system by embracing the reserves, the discount market and the other functions of modern banking in one coherent organization. It marks, in my opinion, the most profound and comprehensive attempt at constructive financial legislation which the country has witnessed since the time of Hamilton. [Applause.]

The PRESIDING OFFICER.—I am sure I voice the sentiment of all present when I say that we have listened with a great deal of pleasure to the very instructive and interesting address of Mr. ANDREW.

Now, if it be agreeable to the convention, I will call on Mr. WELDING RING, of the New York Chamber of Commerce.

Mr. WELDING RING, of New York.—Mr. Chairman and gentlemen of the convention, I suppose I am another "fill-in," for I was not asked to speak until a few moments ago, and then only in order to fill up the time until more eminent speakers could appear before you.

Some time during the past summer the proposition for a Monetary Commission and the general subject of the monetary condition of the country were presented clearly to the members of the New York Produce Exchange, the Chamber of Commerce and the Merchants' Association of New York, these bodies representing very largely the commercial interests of the city of New York, and to these subjects we have given a great deal of attention and a large amount of study.

In order to arrive at our conclusions we took up, first, the large banks of Europe, including the Bank of England, the Bank of France, the Bank of Germany and others, taking them from their inception up to the present time, and fol-

lowing out their methods of handling the currency of those countries and the assistance they gave to trade.

We came to the conclusion that it was the part of wisdom to profit by experience, and in studying those banks we realized that while they were a very great assistance to their countries, yet they were not applicable to the United States, for the reason that our territory is so much greater than that of any of the European countries. At the same time there were a great many features that were applicable, and these we have endeavored to embody in our conclusions.

We realized from the first that there would be objection to anything in the nature of a central bank, first, because it might be considered a political issue, one where politicians would have too much control over the finances.

Then there was also the question as to where the central bank should be located.

Then there was also the control of the stock of the bank which might be used by the larger institutions to the detriment of the smaller.

All of these matters they very carefully considered. Our various committees have had them under consideration and study, and numerous interviews and meetings have been held in the endeavor to arrive at some result, at least some clear idea that this convention will be in a position to adopt.

I think it a very happy omen that just before this convention meets Senator Aldrich, as Chairman of the Monetary Commission, has presented to Congress and to the nation his very admirable paper in regard to the change of our currency condition. I am very happy to state that our committees, although not aware of what was in Senator Aldrich's mind or in the minds of those acting with him, have practically come to the same conclusion, or at least to very many of them. We may differ in detail, we may differ in our manner of expression, but in the general views and general ideas I think we are fully in accord with Senator Aldrich.

I believe that what this convention wants to-day more than any other is to start a propaganda of education, one

that will reach all our people throughout the United States. I think in our large cities, particularly the cities of the East, there is no question as to what we want to do in regard to a new system of currency. But in our country districts, particularly in the extreme West and in the South, there is a feeling of antagonism to anything of this nature, a fear that it will be used, I may say, for the benefit of Wall street or other interests and not for the general public good.

I believe that this can easily be overcome if we take up the proper method of disseminating this plan of Senator Aldrich's and also the views of this convention. I think we should take proper action here to-day in the formation of a committee that will take up this proposition actively and push it, not go to sleep on duty, and then, in due course, we shall have very great results.

I know from personal observation and from frequent conversations with people representing many interests that the idea of a so-called central bank—it matters not whether you call it a Reserve Association or what not, so long as it is the same thing in substance—is growing, so that I think the time is now here when we should push ahead and make this idea continue to grow, not merely in the congested cities, but among the people at large; it is more needed in the small district than in the large.

While the report of the joint delegates from the New York Chamber of Commerce, the Merchants' Association and the Produce Exchange will be presented to you, I should like to take the liberty of reading briefly from the conclusions at which they arrived. I will not take up the whole report, but with a view of getting them clearly before you I would like to read something from the conclusions arrived at by the Joint Committee:—

WHEREAS, This convention is convinced that it is practicable to create a central bank system for the United States, free from political or sectional control, by means of which these defects can be remedied; an instrument, not of monopoly, but for strengthening, and preserving the independence of the individual banks; an institution designed primarily for public service and not for profit; not to com-

pete with existing banks, but to assist all of them to serve the business communities more efficiently; now therefore, be it

Resolved, That this convention unequivocally declares in favor of the creation for the United States of a central banking organization, based upon the following general principles:—

First.—That such central organization be a corporation endowed with a large stock capital and not merely an association of banks.

Second.—That its stock capital be owned by incorporated banking institutions, whether under National or State charter, willing to assume equal duties as a basis for equal privileges.

Third.—That its administration be divided between the Government, the member-banks and the commercial classes, in a manner which will safeguard against individual, sectional or political domination.

Fourth.—That its business be limited to transactions with the Government and with the incorporated banking institutions which become stockholders, i. e., member-banks, except as provided in paragraph nine, clause b.

Fifth.—That dividends on its stock be limited to a fixed moderate return and profits in excess of such dividends, after providing for a reasonable surplus and emergency fund, be turned over to the Government.

Sixth.—That its business be conducted through branches, to be established in the banking districts into which the country shall be divided, the member-banks of the several districts constituting joint associations, and sharing in the administration of the branches.

Seventh.—That it shall, free of charge, receive and disburse all moneys of the United States Government in places where it shall have offices.

Eighth.—That it shall not allow interest on deposits.

Ninth.—That it shall have power:—

(a.)—To issue circulating notes payable in gold, to be secured by gold and negotiable paper, and, if necessary, eventually to retire the present bond-secured bank notes, to a limited amount by Government bonds;

(b.)—For the regulation of its gold reserve to buy and sell bullion and to contract for loans of gold, and under proper restrictions to deal and invest in foreign bills of exchange;

(c.)—To require the member-banks to keep with it a portion of their reserves prescribed by law.

(d.)—To rediscount, only for member-banks, commercial paper under regulations prescribing the limit of amount for each member-bank, the maximum time to run, and determining the degree of guar-

antee to be provided by the joint associations of member-banks of each district;

(e.)—Under careful and proper restrictions to discount approved American bank acceptances;

(f.)—To transfer funds standing to the credit of a member-bank, to the credit of any other member-bank at any of its branches.

(g.)—To buy and sell the bonds and treasury notes of the United States.

Tenth.—That the central organization is ultimately to become the sole note-issuing power.

Now, gentlemen, those are the ideas that our joint delegation from New York have arrived at, and I think you will find that they run very closely in accord with the views of Senator Aldrich, and I believe they are the views coming to the front in the very near future. If we start out now with the idea that this matter is to be pushed to completion in the very near future—not quite now, perhaps, but possibly next year—I think we shall have a currency law that will not only be a credit to the United States, but will be a very great benefit to all our institutions. [Applause.]

The PRESIDING OFFICER.—Gentlemen, Mr. TRUESDELL, of the New York Produce Exchange, offers four resolutions for the appointment of a committee of seven to organize a business men's monetary reform league, etc. If there be no objection, these resolutions will be referred to the Committee on Resolutions already appointed. If, however, Mr. TRUESDELL prefers that they should come up for separate consideration before the convention, it is, of course, his privilege to so ask.

Mr. TRUESDELL.—I shall be very glad to have them go to the Committee on Resolutions.

The PRESIDING OFFICER.—Then they will take that course, sir.

It is now 12 o'clock and the convention, according to the programme, is to meet at 2 o'clock after the recess. I suppose you do not want to terminate the morning session before half-past 12. What is your pleasure as to that?

There are several gentlemen whom I am sure it would be a pleasure to hear. Do you desire now to continue the session?

Mr. TUCKER, of Philadelphia.—I move that we take a recess at 12.30, to meet again at 2 o'clock.

The motion was agreed to and it was so ordered.

The PRESIDING OFFICER.—The Chair will now call upon Mr. JOHN S. ROSSELL, of Wilmington, Del. [Applause.]

Mr. JOHN S. ROSSELL, of Wilmington, Del.—Mr. Chairman, ladies and gentlemen, while I feel very much at home, at the same time I feel very much alone. So far as I know I am the only representative in this body of the trust company interests.

The PRESIDING OFFICER.—Excuse me, Mr. ROSSELL, but Mr. WARBURG, Chairman of the Committee on Resolutions, desires his committee to assemble now, so that, with your permission, the members of that committee will retire.

A DELEGATE.—If I may be permitted, Mr. Chairman, I should like to have the name of Mr. ROSSELL added to that committee, as he is the author of the Wilmington resolutions.

The PRESIDING OFFICER.—Inasmuch as the committee has already been appointed, the matter is now out of the hands of the Chair. But the Chair will submit the motion that Mr. ROSSELL be added to the Committee on Resolutions.

Mr. ROSSELL was, by unanimous consent, added to the Committee on Resolutions.

Mr. ROSSELL.—I thank you very much, gentlemen, and I feel still more at home now since you have so unhesitatingly conferred this additional honor upon me.

If there is present any other representative of the trust company interests, I should be very glad to meet him.

Any plan our National Congress may adopt for reform in our banking and currency system, I submit, must be adopted with due deference to the trust companies of this country. They are too numerous, too substantial and represent too large a constituency to be ignored.

Without attempting to express an opinion upon the proposals of Senator Aldrich at this time, I am afraid that in the preparation of these proposals this vast aggregation was forgotten for the moment. But I am quite sure that any reasonable request that may be made by the trust companies will be given fair consideration.

In the Wilmington plan, covered by the resolutions referred to this body, it is provided that the central bank may establish reciprocal relations with any bank or trust company in the United States or in any territory thereof, under regulations prescribed by the Board of Managers of the bank.

Senator Aldrich refers to National trust companies. I assume that it would be practicable to transform our State trust companies into National trust companies. But, as the acceptance of any new legislation on this question and the successful operation of any scheme that may be adopted will depend entirely and completely upon a healthy public sentiment, it is questionable whether it would be wise to attempt to destroy the entity of the present day trust companies; and I shall suggest, when acting with the other members of the Committee on Resolutions of this body, that distinct reservation be made of the trust companies as they now exist and of the State banks.

After all, gentlemen, public sentiment controls in this country, and it is because we are a free people that it does control. I believe that it has been the aim of the National Monetary Commission, as it has unquestionably been the high purpose of Senator Aldrich, to crystallize public sentiment in support of any change in our monetary system that may be finally agreed upon.

I have been in close touch with the money question nearly all my life. As a boy, in my father's store, I remember the importance of Peterson's Bank Note Detector; how eagerly it was received in the counting room and how carefully its reports were considered in relation to the bank notes we had on hand to ascertain whether any of them were bad. My recollection goes back distinctly to the days of State banking and to the great uncertainty in our finances in those days. As I have gone along in the study of this

question from that time down to the present, I have become more and more firmly convinced that any currency that will satisfy the people of this country must be a reliable, uniform currency, guaranteed by the National Government. Whatever our theories may be, however beautiful they may seem, however ably they may be expressed, whatever attempts we may make at successful demonstration of these theories, we must have uniformity, stability and elasticity in our circulating medium, because no other will be suitable for the business growing out of the diversified activities of this great country.

If I may refer again to the Wilmington plan (of which we Wilmington people are naturally proud), I wish to call attention to the fact that it is based upon the theory that the currency of the country, though issued by a central bank, should be, along with the gold and silver coin, a Government guaranteed currency, a currency that, whether offered in Maine or in California, would be accepted without a moment's hesitation.

We all know that, while we must have an absolutely sound currency, money enters to only a very small degree into the immense volume of business transacted in this country; that it is, rather, the \$15,000,000,000 of bank credits upon which the trade and the commerce of the nation is conducted; and that it is, therefore, more a problem of the conservation of credit than of the issuance of bank notes, important and absolutely necessary as a reliable and sufficient currency is to the welfare of the nation.

We have endeavored, in the Wilmington plan, to look to the conservation of the credit of the country and to its regulation through the operations of a central bank; for, call it what we may, whether a "central reserve association" or anything else, we know that it means a concentration of power and control in directing the banking business of the country. We may as well, therefore, adopt at once the title of "The Bank of the United States," and give the bank full authority to issue currency and to regulate the National credit. I believe we can do this without destroying the entity of any purely local institution. Then

we shall have gathered together and concentrated into one great force all the banking interests of the country.

We are making progress. We have made great progress. I feel that we are almost at the conclusion of the discussion, for the magnificent work of the National Monetary Commission has enlightened the people as never before on the question of banking and currency; and in all the Commission has done it is very gratifying to find a manifestation of the truly American spirit of patriotism and fair dealing, together with a willingness to waive particular and personal opinions in order to arrive at a decision intended to promote the greatest good of the whole people.

As I must now, in the discharge of my duty as a member of the Committee on Resolutions, retire from your deliberations, I desire to express the hope that, as the result of the committee's efforts, we may be able to present to you resolutions so comprehensive, so clear, so fair and so acceptable, that to the honor of the National Board of Trade and to the credit of this conference, it will be said that if we have not solved the problem in its entirety, we at least have laid a firm foundation upon which the Congress of the United States may, with perfect safety, base the necessary measures to carry out all the required reforms. [Applause.]

THE PRESIDING OFFICER.—We have about a quarter of an hour left, gentlemen. The Chair is informed that Mr. ROBERT D. KENT, President of the Merchants' Bank of Passaic, N. J., is present. We should like to hear from him.

MR. KENT.—By way of introduction to this paper, I will state that I have had a banking experience of thirty-five years in Philadelphia, New York City and "out-of-town" small cities.

TWO AVAILABLE REMEDIES FOR OUR PRESENT UNSCIENTIFIC MONETARY SYSTEM.

The presence of this body of business men gathered from so many distant parts of the country proves that the serious faults of our present currency and credit system are becoming generally understood and that an intelligent public opinion

regarding the subject is being formed. I believe that the Monetary Commission will evolve a plan that will give us adequate relief. At the present rate of progress, however, it will probably be two or three years before the relief will be effective.

We have just closed a business year without financial disturbance, for which we are thankful. This result, however, has been brought about by the fact that for nearly the whole year credit has been severely restricted. Many solvent, substantial business concerns have been refused accommodations that would gladly have been extended by the bankers of the country under normal conditions. As the representative of several out-of-town banks, I am in close touch with New York bankers, and during the past year I have found on every hand an exceedingly cautious spirit. This was necessary under conditions as they were, but as a result, legitimate trade was seriously hampered.

While I have no doubt that in due time relief will be afforded, we must face from one to three years' experience under our present unscientific system. There are, however, two minor remedies about which I wish to speak. Either one of these will afford us great help. One or both should be obtainable almost immediately by a comparatively slight effort on the part of the men comprising this and other commercial and banking associations.

Our present Emergency Currency Law would have resulted in the issue of currency in the fall of 1909 and 1910, if the tax had been placed at 3 or even 4 per cent. for the first month. As you may remember, the tax is placed for the first month of issue at 5 per cent., the second 6 per cent., the third 7 per cent., and so on, advancing each month until 10 per cent. is reached.

The Secretary of the Treasury in 1909 endeavored to get currency associations formed in the principal cities, but only one or two were organized. In 1910, under special urging by the Secretary, some twelve or fourteen associations were formed; but in neither year was any currency taken out. The tax is placed so high that there is no inducement for banks to avail themselves of the privilege. If circulation

were issued under the present regulations, it would be a confession to the whole country and to the world that we were in financial trouble.

It is well known that each fall we need extra currency for two or three months, amounting to some \$200,000,000 or \$300,000,000 dollars. Why, then, should it not be made easy for us to obtain it? The increasing scale of the tax rate would insure the retirement of the currency in a month or two, and so we would have a large degree of elasticity—something that is now entirely lacking. As it is, we are short of currency two or three months each year, and during a large portion of the remaining months money is over abundant. If we put it in use when it is plentiful we are strained to supply it when the fall demand is upon us.

What I advocate is: that we make known the situation to our Congressmen and unitedly work to get the law amended so far as it relates to the rate of tax on the circulation.

I will now read a letter from the President of a National bank bearing on the matter, and also one from Mr. VREELAND, Chairman of the Committee of Banking and Currency, to whom I sent a copy of the letter referred to. Mr. VREELAND himself is a practical banker.

MY DEAR MR. KENT:—

Knowing that you are specially interested in the Currency Reform movement, and being in entire sympathy with this movement myself, I am writing you about our experience. As you know, we have a capital and surplus of over \$500,000, and deposits of about \$1,600,000.

Our experience alone might not be of any general interest, yet from our connection with other banks and bankers, we believe it fairly represents conditions all through our country.

While we have had no serious difficulty in our money conditions this fall, yet this condition exists because we have been obliged to refrain from doing the active business we should have done for the past four or five months.

Our reserve banks in New York City, and other strong banks, have been holding large cash reserves, and their example, as well as advice to us, has been that it would be wise for us to follow in the same line.

It was on this account that the local business demands made upon us could not be met as fully as we should have liked, and, to that extent, we have been unwillingly forced to join in curtailing business accommodation to our manufacturers and business houses.

While we feel the above action was wise and necessary on our part, yet it would seem that some general provision should have been made by our Government, in the way of central reserve banks, or otherwise, so that such an experience every fall would not be necessary.

I attended the recent monetary conference in New York, and was greatly pleased with the tenor of the papers and addresses, and trust that it may be possible for some wise action to be taken by this session of Congress. Should this not be possible, then an amendment to the present law, by which the tax on emergency circulation should be reduced to 3 per cent. to start with, would be of great benefit.

Mr. VREELAND writes:—

I have your letter of recent date inclosing a copy of a letter written by Charles M. Howe, of the Passaic National Bank.

Everything Mr. Howe says in his letter is true as to the banking situation. The emergency bill of 1908 ought to have started the tax at 4 per cent., but the opposition, especially from Mr. Fowler and his friends, was so fierce, the charge was so persistent that it was a mere measure for inflation, that the bars against inflation were placed a little higher than they ought to have been.

It is not an unmeasured evil, however, especially in the West, where during the past year there seems to have been a strong tendency towards speculation in land and other enterprises, and perhaps the inability to obtain additional loans, except at high rates, has been beneficial.

I do not think it would be possible to pass any financial legislation of any kind at the present short session. Under the so-called reform rules adopted last winter, legislation, other than that relating to appropriations, which has the right of way, goes on the calendars of the various committees of the House and can only be reached one day in the week, on Calendar Wednesday. Enough bills are already on the calendars of the various committees coming over from the last session of Congress to take up all of the time not needed for the passage of appropriation bills during the present session.

Whether we can pass general reformatory legislation in the next Congress or not will depend upon how united the business men and bankers of the country are in demanding it. We hope that the great amount of discussion now going on throughout the country in bankers' and business men's associations will result in a crystallization of opinion towards some form of centralization, under proper safeguard, at the next session of Congress. If that cannot be obtained at that time, then certainly the modification of the tax rate in the emergency law should be made.

The second remedy which I propose will now be specified. The Bank of England, in contrast to the New York

banks, pays no interest on balances maintained with it, but it makes use of a very effective means of regulating the supply of money and credit. This is so effective that the whole world governs its financial actions upon the raising or lowering of its discount rate to the extent of even one-half of 1 per cent. If the rate should be raised 1 per cent., the whole world would be wise to take in sail financially.

The New York banks, with their tremendous capital and line of deposits, have no action to correspond with that so effectively used by the Bank of England. They could, however, very easily have one if they would adopt a sliding scale of interest in payment for balances kept with them by out-of-town banks. When money begins to be plentiful, after the return of the crop-moving currency and the disbursement for the January interest and dividends, the New York banks should discourage the accumulation of money by lowering the rate of interest one-half of 1 per cent., or more, if necessary; and, beginning with August or September, they should raise the rate sufficiently to attract as much money as possible from all parts of the country except where actually needed. In other words, the New York banks should do as the Bank of England does—act in harmony with the law of supply and demand—something which they now entirely disregard.

To indicate the wide fluctuations in the interest rate for money, I would state that in 1905, for the month of December, the average rate for call money in New York was $21\frac{1}{2}$ per cent.; in November, 1906, $10\frac{1}{4}$ per cent.; in October, 1907, $20\frac{1}{2}$ per cent., and in December, over 12 per cent. As a contrast to these exceedingly high rates, there was a period of six months or more in the spring and summer of 1908 when the average rate was about $1\frac{1}{2}$ per cent., and for six months in 1909 the average was about 2 per cent. Under these widely different conditions the New York banks paid the uniform rate of 2 per cent., for out-of-town balances.

From every indication, money for the next four or five months is going to be very plentiful and cheap. As we all know, this condition usually leads to speculation in the

stock market, and the over extension of credit in general business.

If emergency or temporary currency had been used to move the crops of 1910, it would now be in process of being retired; but what is actually happening is that the money that was squeezed out of legitimate business during the year is now accumulating in New York to tempt speculation in the stock market and the over-use of credit in development schemes and in regular business.

In a letter from Boston on the monetary situation in the New York "Evening Post" of January 14th, it is stated:—

The tendency of the rate on commercial paper indicates indubitably that money is in lessened use throughout the country, and that it is pouring into the banks at the reserve centres, which evidently have a feeling that it is going to be difficult to find adequate employment for it.

Mr. Forgan, President of the First National Bank of Chicago, states that in the long run commerce suffers more from periods of over-abundance of money than from those of scarcity. He says: "The origin of each recurring period of tight money can be traced to preceding periods of easy money."

Political economists and many writers on financial matters attribute much harm to the practice of paying interest on reserve money deposited in banks. I will not enter upon that discussion beyond saying that the evils they specify can be minimized by paying a low rate when there is an abundance of money and a higher rate when it is scarce. In times of special need of funds in the reserve centres, the increase in the rate paid would tend to draw funds from all points from which they could be spared. I believe that a sliding scale of interest would average up about the same as the rate now paid, and thus neither the reserve city banks nor the out-of-town banks would suffer loss; but the application of such a method would be of inestimable value to the country at large. It would result in a much more stable condition of the money market for the whole year—something which the management of the Bank of France claims confers incalculable benefit upon trade in all its forms.

I will close by reading from three letters bearing on my second recommendation, one from Edward D. Page, of Faulkner, Page & Co., commission merchants, New York:—

I have read with a good deal of interest your paper read to the Passaic Board of Trade on June 30th, which you were recently so good as to send me. As a member of the Currency Committee of the Merchants' Association, I have made it my business to read almost every plan that has been produced both by sensible men and by cranks, for the last five years. The common sense description of the situation and the common sense remedy which you suggest are refreshing. A great part of the trouble is due undoubtedly to an interest rate on bank deposits. In default of its entire abolition, your suggestion is an extremely interesting and practical one, and it is a continual surprise to me that the banks will not co-operate to enforce such a plan of action. They seem engaged in a hopeless system of competition on all points, whereas they might, as do merchants, co-operate on some, leaving others still open to a plentiful regulation by means of the forces of competition.

In a letter from Mr. Ridgely, late Comptroller of the Currency, he says:—

I think the suggestions you make would have the effect you predict if the co-operation could be brought about, but I am far from confident that such an agreement could be had among prominent New York banks.

August Blum, Vice-President of the First National Bank of Chicago, in a letter to me says:—

I have for years, in meetings of the Clearing House section of the American Bankers' Association, advocated a sliding rate of interest allowed on bank deposits. I do not believe that this will cure all the ills that the American banking system is heir to, but it will accomplish good in various directions.

Secretary ANDERSON.—Mr. President, the impression has gone abroad that the regularly accredited delegates to the National Board of Trade are not delegates to this conference unless specifically accredited thereto. This is an error. This conference includes all the delegates attending the regular sessions of the National Board of Trade, as well as the invited representatives of organizations not members of the National body. I hope every one here will make it clear to all delegates to this annual meeting that they are expected

to attend the sessions of the Business Men's Monetary Conference.

The PRESIDING OFFICER.—The hall at this moment, like Ireland, seems to be "swarming with absentees." So if there be no objection, inasmuch as only a very few moments can elapse before half-past 12, the Chair will now declare the convention in recess until 2 o'clock this afternoon.

At 12.27 o'clock P. M. the convention took a recess until 2 o'clock P. M.

AFTERNOON SESSION.

The convention reassembled at 2 o'clock P. M.

The PRESIDING OFFICER.—Before we proceed to the regular business I would say that I have been informed that the Committee upon Resolutions have agreed upon a report which will be brought in presently.

The regular order is an address by Mr. VREELAND, vice-chairman of the Monetary Commission. I have great pleasure in presenting to you Mr. VREELAND.

ADDRESS BY HON. EDWARD B. VREELAND, VICE-CHAIRMAN NATIONAL MONETARY COMMISSION.

Mr. Chairman and gentlemen of the National Board of Trade, it is a great pleasure to me, I assure you, to meet you to-day, especially in view of the fact that this day has been laid aside for consideration of reform in our monetary system.

I want to express my satisfaction at the action of this great body of business men, with which I am familiar, in asking their local bodies in the cities throughout the country, during the past year, to take up in a formal way, by the appointment of committees, the study of banking and currency reform. I consider it of inestimable value.

As I believe, Mr. Chairman, the reform of banking and currency in these United States is of greater interest to business men, it is of greater interest to the thousands of laboring men in our factories, who work upon our streets, than it is to the bankers of the United States. Bankers conduct their business with a close organization. It can be quickly limited. They can shut off loans and call in loans, they can accumulate their cash, they can take in sail when they see a storm coming. They were not, however, so much injured by the panic of 1907 as the business men of the United States, although most of them, I admit—and I include myself among the number—were nearly frightened to death. The business men cannot do that, and especially the manufacturer. The manufacturer, for instance, may have to contract for his material a year ahead; he has to make it up depending on future markets. He cannot take in sail quickly. What does it avail for a business man to carefully preserve his credit and to conserve it provided he finds when the test comes that the banks through which he must use it are unable to grant him facilities?

Mr. Chairman, the system of every other great commercial country, our rivals for the business of the world, has been revolutionized during the last fifty years or more. In the United States, the greatest commercial nation on the globe, doing the greatest business upon the globe, we alone continue to use the system which was adopted in the middle of the Civil War, about half a century ago.

Panics are the nightmare of American business life, not only among banks, but among business men. You who are bankers—how differently you could shape your course if you were not afraid of these periodical panics that have come on an average of about every ten years throughout the existence of the nation. How much more freely you could give credit to the business men who need it, how different it would be to the business men in shaping their business, were it not for the fear of these panics and the stopping of credit and the stopping of business.

Mr. Chairman, I stand here to say that these destructive business convulsions which we call panics in the United States, which have brought us more misery and suffering except loss of life than the wars in which we have been engaged—and that is a strong statement—are entirely preventable. I say they are entirely due to a defective system of banking and currency.

That is a broad statement to make, Mr. Chairman, and yet am I not justified in making that statement when we turn to the other great commercial nations of the earth across the sea and find that with their longer experience and with their modern systems of banking and currency they have put these money panics behind them more than half a century? Then, if no other great nation of the earth has money panics and runs upon banks and destruction of credit, why should we alone—greatest in our resources, greatest in richness of our country—suffer from these destructive business convulsions? In my judgment it is entirely due to a defective system of banking and currency.

The American people have not always believed this. During the life of our present national banking system we had panics—in 1873, due, it was said, to too rapid expansion in building, followed by runs upon banks, destruction of credit, people thrown out of employment; in 1884, in 1893 and in 1907. Many reasons were assigned for these panics. In 1893 the people believed it was due to prospective changes in our tariff system. Others believed it was due to the purchase of silver. Whatever the cause, it was followed by runs upon banks, from one end of the country to the other, the calling of loans, the throwing of stocks upon the exchanges, factories closing, railroads in the hands of receivers, millions of people out of employment.

It was not until the panic of 1907 that the American people as a whole became convinced that these panics of ours were due to a defective banking and currency system, and that panic came, Mr. Chairman, to most of

the people in the United States, as a bolt from a clear sky. Business was never better in this country; factories were unable to fill their orders, railroads were unable to carry the freight that was offered to them; everywhere our people were employed at high wages. It is true that business was distended, but it was the business of building up, it was the progress of the business of the country, the increase of purchasing power, due to the great crops we were raising. Like a bolt out of the clear sky, the panic of 1907 came upon the people with all of its familiar features. It is true that we may say it started because speculators got into possession of some of the great banks of New York; but, Mr. Chairman, so long as the rivers run to the sea, speculators will get into positions of importance in the business of the world. They say that we were progressing too fast along the lines of business, that we were expanding too fast; but should we not have a system that will give warning to the business world by raising rates of interest when we are going too fast, in order that we may modify our speed and not be obliged in the end to run our team into a stone wall and wreck the equipage and injure the occupants? [Applause.]

Then, I think we may safely say, Mr. Chairman, as the belief of those who have studied the question in the United States, that these great business convulsions of ours are due entirely to a defective system of banking and currency, and they will continue to visit with disastrous effects the people of the United States until we frame a system that will stand these incidents, that will give warning of danger in advance, so that business men will be able to take in sail and protect themselves.

In many respects, in my judgment, the banking system of the United States is the best that could be adopted for our use. What is it? We have about seven thousand national banks chartered by the national government. Under certain limitations they have the right to issue currency which circulates as money. Then we have about eighteen thousand State banks, chartered under State

authority. So, together, we have over twenty-four thousand individual banks in the United States, more individual banks than exist in all the other countries of the world put together. We have a system under which the reputable men of any community can put together their capital and start a bank, which exists primarily for the benefit of that community. It gathers together the money of that community. It is to be used for the benefit of the business of that community. If they have a surplus of money, it probably goes to centres where it may be distributed to other sections of the country where it may be needed. In my judgment this free banking system of ours, this system whereby every city and every town may supply its own banking facilities, may put up its own capital, has been one of the great means of building up this country. It is a splendid system in that respect. Nobody would seek to destroy it or tear it down.

As against that system there is a banking system which prevails in almost all of the other countries of the world. I do not believe it is necessary to waste any time talking about the branch bank system, because whatever its merits—and there are many—it is impossible at this stage of our history to adopt branch banking by law in the United States.

If we were starting a new system, building it up from the bottom, many arguments could be urged in favor of a system of branch banking. Its economy of operation is one. I think it is true that no system of banks can live and compete side by side with a system in which branch banking is permitted. In my judgment, if we should authorize it by law we would follow the course of other countries in the concentration of our banking business in one or two of the great centres of the country. Our people would not stand for that. It is useless to talk it or to urge it, because it is impossible. Under this process Great Britain has about forty great stock banks, only two of which are outside of the city of London. Besides the Bank of France, France has only three great commercial

banks, covering the country with their branches. And so on, in the countries of the world, where branch banks are operated, the tendency is to concentrate in the hands of a few institutions covering the country with their branches. Branch banking with us would be like a railroad running across the country in which the local agents would work for the company and not for the community, seeking to advance themselves to more profitable employment by looking after the interests of the company rather than the interests of the community in which they lived. The American people will not accept branch banks. The American people are so constituted that they like to walk into the office of the man who has the say as to whether they can have a loan or not, and they like to look in the eye the man who has final word in regard to it. They would not submit to having to send to Chicago or New York an application for a loan and wait until word could be received from that distant quarter. [Applause.]

Splendid as our system is in many respects, it has one fatal defect. It falls apart in time of trouble. It is a splendid fair-weather system, when the sun shines and all is well. And yet we must remember that in 1907 it was unable to bear the weight even of our prosperity, and a system which will not stand up in time of prosperity, what would we do with it in time of war? None of us would like to go to sea in a steamship that was built to sail only when the sun shone and the waves were calm. We want, rather, when we go to sea to be on a vessel that will stand the wind and the storm and the waves, that will ride safely in spite of the elements, a vessel that we can trust to carry us safely to our port.

In the time I am to occupy I cannot, of course, touch upon many of the defects in our present system, nor is it necessary in this presence, besides they have all been gone over in other papers. But I will refer briefly to some of the defects that, in my opinion, are more important.

I put first the lack of leadership in our system. We need leadership in our financial system more than any

other country in the world, because we have twenty-five thousand banking units, where other nations count theirs by tens and twenties. I do not mean self-appointed leadership. No matter how disinterested and capable self-appointed leadership may be, it may fall into hands that are not so unselfish and disinterested. I mean leadership under the law, leadership under regulation of law, leadership which is held responsible to the people for the conduct of their business, leadership which is public and in the open. We need it more than any other country because of the great number of our banks—twenty-five thousand of them. How are they officered? Why, you know that in many communities a successful merchant, a successful doctor or lawyer, is elected to the presidency of a bank to conduct the affairs of a bank. He has the confidence of the community. He is honest, he knows the credit of the people, knows all about them; he can loan out the money and he can get it back safely. But what does he know about the principles and theory of banking? In this great country of ours how can he look ahead wisely for six months and determine the policy of his bank? Shall he loan out the fifty thousand dollars surplus he has on hand, or, in fear of some possible cloud upon the sky, shall he put it away in his safe? If he does put it away in his safe, and if ten thousand or fifteen thousand banks do the same thing, then, gentlemen, they bring about the very financial trouble that they fear.

Where shall they look for leadership? I am the responsible officer of a country bank four hundred miles from New York City. I have been through panics. I have been in the bank for more than twenty years. Where shall I look for the signs of the times next fall? Last summer it was known throughout the country that the loans, especially of the Western banks, were badly distended, that there had been much speculation in land. We had a crop to move in this great country of ours of more than eight thousand million dollars. Where would we get the money and the credit to move it in the fall? There was alarm in the minds of men who keep track of those things throughout the

United States. What should the banks do? Where should they look for advice? Should they adopt the plan of taking their money and locking it up in their safes so that they would know they would have it if they wanted to use it? That meant the destruction of business; that meant inability to move the crops in the fall; that meant, perhaps, to bring on the very financial trouble which they were seeking to avoid, whereas they had in mind merely the protection of themselves. Shall I write my banker in New York or Chicago for advice? But how can I be sure that his advice would be disinterested advice? The man who answers that letter has put up to him, perhaps, the problem either of neglecting the interests of the institution which pays him his salary, or else giving me advice which will be in accordance with the interests of the institution that pays him and to which he is responsible.

We have, then, no disinterested leadership in affairs in this country like, for instance, the Bank of England. The Bank of England is a beacon light, not only throughout the British Empire, but throughout the world. It gives disinterested notice, notice not based on the desire to make money, but notice based upon its responsibility as the great Bank of England; it gives notice of impending trouble by raising interest rates. That is the warning for business men to haul in sail, to slacken speed; and it is a beacon light which reaches far beyond the little island where it is located, and extends across the Atlantic and throughout the world.

We have no one in this country to conserve our gold supply. That has not been a great question during the past ten years. During the ten years ending in 1908 these United States of ours had a trade balance in our favor amounting to \$6,000,000,000—a \$6,000,000,000 trade balance bearing the golden treasures across the Atlantic to our shores. It seemed that we needed no one to conserve our gold supply. And yet, gentlemen, we have to-day much less gold, relative to our volume of paper money, than we had ten years ago. I think every business man here will concede that for the

next ten years we are not likely to have a great trade balance, payable in gold, due to us from the other nations of the earth. Of what was it made up? It was made up not only of manufactured articles, amounting, it is true, to a great sum, but it was made up of hundreds of millions of dollars' worth of the products of our soil—meats, wheat, corn, things that we raise. Is there a man here that does not believe that within ten years the United States is quite likely to consume every pound of meat and every bushel of wheat that it shall raise? In other words, we no longer shall have in the years to come hundreds of millions of dollars' worth of the products of our soil to ship to Europe for food. We shall no longer have that great trade balance. Either our manufacturing exports must increase proportionately—and we hardly expect that from the present outlook—or we must face the situation that our balance of trade for the next ten years will be very much smaller than it has been in the past.

Then, in the years to come, in some responsible hands should be placed the power to conserve the gold supply of the United States, the gold supply upon which our banking system should rest, upon which our monetary system should rest.

Without spending more time upon that point I will refer to the next great defect with which you are all familiar, and that is the want of flexibility or elasticity in our system. We have in the United States about \$1,600,000,000, I believe, in gold. We have \$740,000,000 in silver. We have, in addition to that, some minor coinage amounting—I have forgotten to just how much. We have \$350,000,000 of greenbacks and treasury notes. Those amounts are practically fixed. The silver is absolutely fixed, since we are buying no more. The greenbacks and treasury notes are fixed in amount. The gold, it is true, has increased during the past few years, but that is rather a basis for bank circulation than money to move the crops.

Then, upon what do we depend for the elasticity in our system? We ought to depend, of course, on the notes is-

sued by our banks. That was the design of the system when it was created, but in that respect it has been a failure. Every man here knows that our supply of bank notes to meet the reasonable demands of business bears not the slightest relation to the demands of business. They do not go up and down in volume when our business goes up and down, because they are hooked to bonds. Perhaps the actual figures of the last thirty years will show that better than any words I could utter.

After the resumption in specie payments in 1879, you remember along about 1882 we started on a magnificent career of prosperity and expanding business in the United States. That was the time when our volume of bank notes should have kept pace with business and expanded accordingly, based upon gold as a reserve; instead of that, during the next ten years of magnificent business, when the business of the United States more than doubled in amount, those bank notes of ours actually decreased \$300,000,000.

From 1893 to 1897, most of you will remember, was a time of panic, of prostrate business in the United States, when the wheels of the factories were still and men were out of employment and banks were seeking loans, when money was a glut on the market, when bank notes should go out of existence because they were not needed; and yet during those years of business depression our bank notes actually increased nearly \$100,000,000.

In May, 1907, when every dollar was being sought in the United States that it was possible to find, we had \$100,000,000 less of bank notes than we had in 1908, after the panic was over and when every bank had in its vaults money for which there was no use.

Our system absolutely lacks flexibility. It absolutely fails year after year to respond to the demands of business. You gentlemen, of course, all know why, because it is hitched to the bonds of the United States; because banks take out circulation or reduce circulation, for the reason that there is a profit in the sale of bonds, or there is a profit in purchasing bonds and putting the circulation out—absolutely without relation to the needs of the country.

Of course that is a vital defect in any system. No system could be called a system which so absolutely lacks the flexibility needed for business purposes.

The reserve system of the United States ought to be called one to compel panics whenever there is any excuse for one. At least that has been the effect of it—crude, wasteful and extravagant. We have in the banks of the United States more than \$14,000,000,000 of deposits, an enormous and inconceivable sum. We keep in cash on an average about 10 per cent. That would be a reserve in cash of \$1,400,000,000. We are the only great nation in the world that by law requires banks to keep cash reserves, and we are the only great nation in the world which always breaks down and suspends payment in time of business troubles.

If those \$14,000,000,000 were on deposit in any one of the other great commercial nations of the world, instead of having \$1,400,000,000 reserve they would not have to exceed one-half of that sum. Seven or eight hundred million dollars would be the maximum amount which they would consider it necessary to keep anywhere in banks for the purposes of reserve. We therefore not only lose the use of this huge sum of \$600,000,000 or \$700,000,000 that we keep locked up, but in spite of it we are the only great country in the world where the system breaks down every time it is tried.

Our people do not have confidence in our system; and, worse than all that, the bankers do not have confidence in it. The bankers are the great hoarders. The 25,000 banks are the ones that keep it in their safes, prompted by the instinct of self-preservation, they lock up millions of dollars and that brings on monetary tightness.

Comparing that again with that little country across the sea occupying an island, while we occupy a continent, in the panic of 1907 England had in the Bank of England \$165,000,000 in gold. What was that? It was the reserves of all the great stock banks of that country. The great banks over there, you know, only keep till money in the banks. Most of the reserves they keep with the bank of England.

Then that \$165,000,000 was the reserves of all the deposits of Great Britain. Not only that, it included the gold upon which their bank notes were issued. It was also the deposits of the banks' own customers. Then we commenced to draw gold from Great Britain, we commenced to draw down from that storehouse, and we kept drawing it—\$5,000,000, \$10,000,000, \$15,000,000—until we had drawn altogether \$100,000,000 in gold from across the sea to help us out in our necessity.

Did the people of England and the banks of England become frightened? Did they start runs upon the banks to get their money? Did the holders of notes present them in order to see if they could have them redeemed? Not in the least. The Bank of England calmly commenced raising its rates—5, 6, 7 and $7\frac{1}{2}$ per cent.—and drew money from twenty-three or twenty-four nations of the world to make up this deficiency in gold which we had drawn away.

And what was our condition at that time? Why, Mr. Chairman, at that very moment, in the Treasury of the United States, which almost joins this building, was nearly \$1,000,000,000 of gold! The greatest and most useless store of gold in the world! Under any proper system of issuing bank notes we had gold enough to supply our needs five times over. And yet with that great supply, with all the millions of dollars in addition stored in the banks of the United States, we were obliged to turn to that little country across the sea and draw from her slender hoard, prompted by the necessities of the situation.

I have illustrated our reserve system by supposing that each one of our States in case of war should insist upon putting its troops upon the border of the State instead of massing them into one army to meet the invaders of the country. I have assumed the almost inconceivable supposition that we should become engaged in war with Great Britain; that Great Britain, with her great navy, should put 200,000 troops in Canada; that those troops should approach our borders for invading the United States; that New York would say, "We will put our troops upon the State line to defend the sacred soil of New York when the

invaders shall approach"; that Texas would say, "We will put our troops upon our State line," and that California would say the same thing and put her troops upon her State border. And so all the other States would scatter out their troops, placing them upon the border of each State. Mr. Chairman, what sort of defense would that make against that invading army? We might have a million troops, enough to fall upon the invaders and throw them into the sea, and yet they would be useless, because they would be scattered and the invading army would march to New York first, overcome that little handful of soldiers, and so on throughout the country, until in the end all should be wiped out.

I submit to you, Mr. Chairman, that that is the precise system we have of reserves in our banks to-day. [Applause.]

With our tremendous reserves, greater than any other nation in the world, greater than any other two nations, in cash on hand, with our tremendous supply of gold on hand, yet we scatter it and disseminate it in so useless a manner that we are overcome every time there is a business panic and suspend payment from one end of the country to the other. We make 24,000 little piles of our reserve, each one useless to help the other. Why, Mr. Chairman, if a panic starts we should have what other nations have—our reserve kept in such a manner that it can be brought in overwhelming mass wherever needed.

Suppose during 1907 \$100,000,000 could have been promptly thrown into the city of New York. It would have put out the panic like throwing a bucket of water on a burning match. We have no proper reserve system. The great banks of New York to-day—and probably just seven or eight of the great banks of New York act as a central bank of the United States—they hold the ultimate reserves of the country. Of course, when the Treasury here had \$100,000,000 or \$200,000,000 on hand to place out on deposit, they could come to the relief of the country in the crop-moving season; but they no longer have a great reserve, and it is not the proper province of the Treasury to have more than a working balance of money

in its vaults. They ought not to pile up there a great sum of money which has to be returned on deposit throughout the country.

So, we have to-day a central bank. It is just as inevitable to have centralization in the banking system as it is to have the law of gravitation, you cannot escape it.

The only question for us to decide is in what form shall it exist? The great banks of New York to-day are the ultimate reserve agents of the country, they are the central bank of the country. I submit to you, gentlemen, that the banks of New York City are not fitted to perform the functions of a central bank. They are not equipped to do it. No banks anywhere in the world could do better, but they are not equipped by law with the functions for carrying out the province of a central bank. They are great money-making institutions. It takes a great amount of expense to keep them going. There is tremendous competition among them. They cannot afford, as a central bank must, to lay aside at least 50 per cent. reserves and keep that money there when times are good in order to relieve the necessities of the country when times are bad.

I remember that the banks of the three central reserve cities of the United States—New York, Chicago and St. Louis—in September, 1909, had on hand in cash 25.4 per cent. of their deposits. That is, they had four-tenths of 1 per cent. more deposits than the law compelled them to keep on hand in their vaults and the great crop moving season coming on when hundreds of millions of dollars were needed in credit and cash to move the crops. They are not equipped to perform the functions of a central bank; first, because they are money-making institutions, they are working to pile up deposits and to pay large dividends; but principally because, in my judgment, it is a legislative impossibility to equip the great banks of New York or Chicago with proper functions for performing the duties of a central bank unless we give the same right to all the rest of the banks of the United States.

I say it is a legislative impossibility. We could say that the banks having a certain amount of capital and surplus

should have the right to issue asset currency based upon gold and upon commercial paper; but in my judgment, as I say, it is a legislative impossibility to select the banks, the large banks of the United States, to give them extra privileges and extra powers that are not given to the other National banks of the United States. Such a bill could not be passed.

My experience during the passage of the Emergency Currency Act two years ago made me very familiar with the feelings of those who represent districts in all parts of the United States. I found that every man who represented a Congressional district in Iowa or Texas or Nebraska wanted to know exactly how the banks in his district were going to share in the powers that we were giving by law. We imported about \$100,000,000 in gold during 1907. Under our system it was worth \$100,000,000 to pay debts and no more; it was worth no more than so many greenbacks or so many bank notes. It did not bring quite so high a premium in the city of New York as bank notes. Under a proper system of banking that \$100,000,000 in gold would be the basis for issuing two and one-half times that amount in bank notes. Assuming that we keep a reserve of 40 per cent. against this, still we could increase the value of that \$100,000,000 two and one-half times under any proper system of note issue.

I suppose I ought to refer for a moment to the emergency bill, also known as the Aldrich-Vreeland Bill, which passed two years ago—a purely emergency currency bill, a life-preserver which we took on board because there was a hole in the bottom of the steamer, and we wanted some kind of a life preserver until we could get into the dock and rebuild it and fix it up; a rather awkward provision made necessary because we have an awkward system. I have likened it to a town or a village which has a large number of frame buildings and where, on that account, fire is likely to break out at any time and destroy the village, and the trustees think it wise to buy a fire engine to put out the fire when it starts. That is about what we did in passing that bill. We have a very inflammable condition in the

United States, and I thought we needed a fire engine so that we could pour on some of that \$500,000,000 after the fire started. It is necessary to have it on hand; it is necessary to have it on hand so long as we have frame buildings.

But that is not the proper remedy; the proper remedy is to destroy the frame buildings and build up fireproof structures, so that a fire cannot even start. [Applause.]

I will not refer to our system of commercial paper; I will not refer to the Treasury system which is so ancient; I will not refer to many other things, because I am taking up too much time. I find that it is much easier to agree upon the defects of our system than it is to agree upon the remedy.

Mr. Chairman, I must say, from a very close observation of the current of public opinion during the last year, that I have been greatly gratified by the discussion that has been going on, by the interest that has been shown, not only among bankers, but among the great business bodies of the country; bodies like this one, and I have been gratified by the gradually approaching consensus of opinion which they seem to be reaching.

It is evident that we must have some system which will cure these prime defects and as many others as possible. There is nothing so valuable in this world, in my judgment, as experience. You know that has been put into a proverb, and it has been reckoned that an ounce of experience is worth a great many ounces of theory. In my judgment, there is no field of human knowledge in which this is so important as in the financial field, no place where more theories can be created by individuals. The average American citizen scouts the idea that he cannot over night create a monetary system or that he cannot run a tavern. These are two things that every normal American thinks he can do. Why should we not pay great attention to the experience of the world? Gentlemen, if we were unable to make a proper quality of steel in the United States, and if they were making a superior quality of steel in the countries across the sea, every greyhound that crosses the ocean would be filled with experts going over there to find out

the secrets of the manufacture of steel. Is not the same principle true in finance? We turn our attention to our great commercial rivals across the ocean. We find that they are satisfied with their systems, we find that they have been in force some of them a century, and most of them a half century. We find out that they are almost identical in principle, differing widely in the application of those principles, and yet we find that almost every independent nation in the world has adopted the same basic principles in its monetary system.

The two great basic principles in all the systems used in every independent commercial nation in the world are centralization of note issues and centralization of reserves. Those two principles have been used for so many years upon so great a scale, over so wide a territory, that it seems to me they can be accepted as nearly sound and correct, as financial principles, as anything we can expect to find in monetary knowledge.

Therefore, as the result of such study as I have been able to give it, my own judgment is that the United States, some time, I don't know how soon—I hope it may be next year, but it may not be in ten years, but some time, just as certain as that the law of gravitation is working to-day, the United States is going to be compelled to adopt the principles that have been tested by the experience of every other great commercial nation on earth. [Applause.]

Many plans have been brought forward in the last year or two, or skeletons of plans, and in nearly every one of them there is an approach towards centralization. In many of them we have, a shadowy organization without capital. But, Mr. Chairman, I want a live organization, a responsible organization; I want an organization with capital to back it up, I want an organization that has power and force. Undoubtedly many of those propositions would be an advance over the system which we have, an improvement upon the system which we have. Perhaps we will have to make two steps, perhaps we will have to make three steps in finally reaching a sound financial system in these United States. I hope not. The discussion and interest

shown in these boards of trade in the cities of the United States give me confidence and hope that we may not have to defer too long and take too many steps in reaching a system suitable for the great and growing business of this country. [Applause.]

I will refer a moment to what is called the asset plan, because it was discussed in a paper this morning. I cannot spend much time upon it, but I believe, Mr. Chairman, that the asset plan as brought forward by the Bankers' Association and others was adopted because it was believed that the country was not ripe for a full and complete reformation in our system, but they believed that that would afford some relief to the business of the United States. But since the panic of 1907 convinced the people of our country, the people at large, that we needed radical changes, that in my judgment is the reason why the asset plan of currency has dropped out of sight. I am in favor of asset currency; I am opposed to the hitching of bonds to paper issued to circulate as money. Asset currency is the currency of civilization, but not asset currency issued by a multitude of scattered banks. [Applause.]

Let me give you this history of the great nations of the world. In 1844 England by act of Parliament took away from individual banks, or put in process of taking away from individual banks, the right to issue currency, and gave it to the Bank of England. Now, gentlemen, understand this: Nations that have great and well-managed banks, great stock banks like those of London that are able to employ the best talent that can be had, to pay great salaries, obtain men of genius in financial affairs, understand that with only thirty or forty great banks the issue of asset currency would be infinitely more safe than in the United States where we have 24,000 banks scattered around, little and big banks; and yet in Great Britain in 1844 they took away from individual banks the right to issue currency.

In France they took this action in 1848; in Belgium in 1850; in the Netherlands in 1860; in Spain in 1874; in Germany in 1875; in Austria in 1878; in the Balkan States in

1877; in Russia in 1879; in Japan in 1882; in Portugal in 1891; in Norway and Sweden in 1897; and in Switzerland in 1907. The conditions in Switzerland were somewhat similar to those in the United States, and stirred by the great business depression of 1907 they adopted this centralized system of reserves and note issue.

Then remember our own history, Mr. Chairman; in the face of such a record as that, would we not be flying in the face of the experience of the whole world if we should give to 7,000 scattered banks, some of them with only \$25,000 capital, the right to put out their notes as money throughout this great continent?

It has always seemed to me that it would fall down in its redemption feature. The work of monetary reform in the United States, Mr. Chairman, is more difficult than anywhere else in the world, for this reason: Because we have two systems of Government, because we have banks chartered by the national authority, and because we have 18,000 banks chartered by State authorities.

Suppose then, that \$100,000,000 be put out as a circulating medium by the national banks based upon their assets. Eighteen thousand banks of this country are State banks. They take in these notes; they can even use them as reserves. I ask you, Mr. Chairman, why a State bank in California would be willing to pick out those notes, do them up in a bundle and ship them away to the point of redemption, even if the cost of redemption is paid—why would they do that? Is there any known motive that would lead them to do it except fear that the notes are not good? If they knew absolutely that those notes were good, as they consider the present national bank notes good, why would they take that trouble? Why would they go to the expense of separating them out and wrapping them up and sending them in for redemption? If they did not consider them good, if the man who took one of those notes had to stop for a minute and see whether it was good or not, then the people of the United States would hurl out of power at the first opportunity the party that inflicted that system upon the country.

Asset currency is, in my judgment, the correct principle of currency. It should be issued as all of the other great nations of the world issue it, through the security of a central bank, under regulations and provisions of law. [Applause.] Of course there are two exceptions to this. That is the countries of Canada and Scotland. But, gentlemen, if we adopt the asset currency system of Canada or Scotland, we must adopt the branch bank system, which goes with it, and which gives it life and moving power. There is no escape from that. Inasmuch as it is an impossibility for us to consider the establishment of branch banks, it is an impossibility for us to secure the issuing of currency as it is done in Scotland and Canada through the branch bank system. The competition of those banks and, in turn, their branches throughout each of those countries, their desire to push out their own notes and push the other bills in, is what prevents redundancy in the system. We cannot do that; first, because over two-thirds of the banks of the country do not issue notes and have no interest in it. Hence, in my judgment, the issuing of notes of asset currency by the banks of the United States, without the adoption of branch banking, would at least be an experiment which we would hardly dare to try.

Mr. Chairman, I have talked some to business men, and to bankers during the last year, and it has been my custom in order to have something concrete before the body I am addressing to give them the outline or the principles upon which I would establish a central institution. Yesterday the chairman of the Monetary Commission, a man of great wisdom and experience in financial matters, presented a plan in detail. Owing to his illness I had no opportunity to talk it over with him as he desired me to do, and have only read it through once. I am therefore not prepared to discuss the details of its many features. The reading I gave it shows me that it provides for the vital defects which I have named heretofore.

It is unnecessary that we should agree with it in all of its details; it is not necessary that we should agree with the scheme of any man in all its details. Let us first agree

upon principles; then, when we come to the details the best economists and the best financiers in the United States should spend weeks and months in the consideration of every detail before it is framed into law.

Hence I think the practice should be encouraged of giving out as completely as possible the theories of every individual who studies the subject, which includes the basic principles that I have mentioned.

Strangely enough, I have been calling this institution the United States Reserve Bank, which is something similar to the name applied by Mr. Aldrich, and doubtless for the same reason. I have not used the term "Central Bank," because the term "Central Bank" conveys to so many people in the United States the idea of an institution entirely at variance with that which is in the minds of its proposers. Most of the people in the United States, when you say Central Bank, think of Andrew Jackson. I do not advocate the bank of Andrew Jackson's time, and in order to accentuate that I have used a different name, and I think it will be proper to use a different name when it comes to be reported upon by the Monetary Commission.

In this outline of a bank I have called for a capital of at least \$100,000,000. I do not think it should be a fixed capital, but rather a percentage of the surplus and capital of the banks which are its stockholders. It should be in gold, for reasons apparent to every one, in order to form the basis for a note issuing power. Its stockholders I have proposed should be the national and State banks of the United States.

Here I notice Senator Aldrich's plan differs from this, inasmuch as he confines it to the National Banks of the United States. But it has seemed to me, and still seems to me—although I am open to conviction upon the subject—that all of the banks of the United States having a capital, say, at least of \$25,000, who desired to do so, should be permitted to take stock in such an institution. There are many practical reasons in favor of it. I think a bill which confines the benefits of this system to national banks would awaken opposition which otherwise might

be avoided. I do not think the National Government can compete with all the forty-six or forty-seven States in making its banking charters attractive. Desirable as the unification of all the banks of the United States would be, in my judgment it is an impossibility.

There are many reasons for the existence of various forms of State banks which will continue of moving force. I do not believe it is possible for us to draw a bill which will unify the banks. I think we should take our system as we find it. I think we should give all the banks, under proper restrictions as to examinations, as to size, the right to come into the system, whatever limitations we choose to put upon them as to reports and reserves.

Directors elected by banks with geographical limitations—this follows the same idea that Senator Aldrich proposes, namely, that every part of the United States shall be represented geographically in the conduct of this central institution.

Stock limited to five per cent. of capital and surplus; voting power limited to five per cent.

Secretary and treasurer and comptroller and other officers, by virtue of their offices, should be members of the Board, with such powers as may be given to them.

Dividends limited to four or five per cent. at the most.

Of course this is a vital part in the construction of such an institution from my standpoint. I am not in favor of setting up an institution for making money, but setting up an institution which will achieve its success by subserving the business interests of the people of the United States. [Applause.]

No interest paid on deposits. It may purchase commercial paper under limitations as to time, and securities backed by the taxing power.

Note issue following something along the plan of the Bank of Germany. In one respect I disagree for the moment with the plan presented by Senator Aldrich in his bill, namely, the tax which he puts upon the currency. Take an institution like this, not built as a money-making machine, where all of its surplus earnings above the most moderate

earnings should go into the National Treasury for some public purpose, and it seems to me that the notes issued by such an institution, unless the United States needs the money, should be put out absolutely untaxed and free—at least until we reach such a point that we might consider, as the Bank of Germany does, that a further issue would be along emergency lines. Until that point at least should be reached, I at present see no reason why any tax should be placed upon the notes issued by such a bank. It is simply a tax upon the business of the country.

It should hold a part of the reserves of the banks. Of course, gentlemen, it is understood that in any scheme for the reform of our monetary system, as little as possible should we interfere with the present business of the banks. Except where it is absolutely necessary we should not interfere with the business as it is done to-day. What we are proposing to provide is not a competitor of the banks, but rather a keystone to our banking arch, to set up an institution which shall be for the benefit of all the banks, as well as all the people. [Applause.]

It has been proposed by some that the deposits of such an institution should be limited to the reserves of the three central reserve cities, that those reserves when placed in the central bank should count as reserves. Then, having perhaps from that source deposits of \$500,000,000 or \$600,000,000—and they could easily be made in gold as the years go by—in that way such a bank would have ample basis in gold for its note expansion.

Those are matters of detail, as I say, which need to be taken up and considered and passed upon by the best economists and financiers of the country before being put into law.

My friend from Philadelphia (Mr. ACKER) this morning, in the little I heard of his interesting discourse, said that any system proposed must be tested at least in one respect by the facility of its note redemption. I stated that, as it seemed to me, under the issuance of asset currency by a multitude of banks as conditions exist in this country, it would break down under the weight of its bank note re-

demption. It should be automatic. It should respond to the needs of business. It should be natural. The redemption of a central organization, such as I have outlined, it seems to me, would fulfill conditions in that respect.

Let us suppose, for example, that the crop moving season of the country approaches. Suppose it is the last of August or the 1st of September. Suppose that \$200,000,000 of \$300,000,000 in cash were needed to go out and move the grain of the West and the cotton of the South, and that the money is sent to all those distant points. It is sent in the notes of our central institution. Time goes on and the crops are moved. Those \$200,000,000 or \$300,000,000 of notes have performed their service, and it is time for them to start for home and go out of existence. Why, Mr. Chairman, they will follow exactly the process that goes on to-day, the natural, the business process. What do they do to-day? The banks in New Orleans that draw money from New York or Chicago pay it out to their correspondents and their customers, and when the season is over the bank notes go back into the banks of New Orleans. What do they do with them? What do they send North to pay their debts or to place on deposit? Do they send gold? No. Do they send legal money? No. Under the Gresham Law they send what they think is the poorest money that they have in the bank. Why, if one of you gentlemen is going to pay out a quarter from your pocket and you have one quarter that is old and worn and another one that is new and bright, you will pay out the worn quarter every time. And so those banks in New Orleans send up the notes because they are not legal money, they don't count as reserves. Or, perhaps, they go to Chicago. And when they get through using the surplus ultimately they go to New York.

And so they flow on until finally they reach New York or the central reserve cities. What do they do with them? They send them to the Treasury of the United States. Why do they send them there? They send them there to get legal money in place of the bank notes—for no other reason unless they are torn or worn out. That is the only reason for sending

them. What does the Treasury of the United States do with them? Sends them out to the banks again, when perhaps they are not needed—redundant, piling up in the markets.

Mr. Chairman, I think we all agree that a redundancy of money is at least as dangerous as a deficiency. A redundancy of money piles up in the great banks of New York, they pay interest upon it, they are obliged to use it, and where can they use it except on the Stock Exchange? New York is really the only call market in the United States. That is, a call market about nine years out of ten, and the tenth year they call in vain. [Laughter and applause.]

And so that money piles up there and money is cheap. A great bull movement comes along, perhaps requiring hundreds of millions of dollars, and by and by the 1st of September comes around and we have a semi-panic in trying to get that money back from the stock market and into the channels of business. The stock market can always beat the business men of the United States, because they can afford to pay more for their money.

Now, in this central institution we are proposing, your bank notes will follow the natural channels above described. Upon their return journey these notes will go to the central institution instead of to the United States Treasury. And then what? Instead of being sent out again when they are not needed by the business of the country, they go out of existence. There we have the flexibility, the natural flexibility of such a system. [Applause.]

Mr. Chairman, I am taking too much of your time. I want to refer for a moment to one or two of the standard objections which are made to this system. You know that almost every man that has not given this much attention thinks, when we propose the centralization I have described, that we are proposing to set up again the second bank of the United States which Andrew Jackson strangled. Nothing could be further from the truth. The truth is that the modern theory of a central institution is exactly the opposite of the central bank which existed in Andrew Jackson's time. The bank of Andrew Jackson's time was a great private monopoly. No charter could be given to any other bank

during its existence. It was solely a money-making machine. There was no limitation upon the earnings which it could make. It was the enemy and competitor of every other bank in the United States from the moment it was born. It established branches in all of the principal cities of the United States to compete for business. It had the prestige of the Government as a stockholder behind it—the exact opposite of the modern idea of a central bank. And yet, Mr. Chairman, with all of these radical defects which I have described—and unless they could have been cured Andrew Jackson did well to strangle it—despite all these defects, it is the only twenty years in our history that we did not have a financial panic. Some of you may not know that four years after its charter was refused, in 1840, the people of the United States elected a President upon a platform which called for the re-establishment of another United States Bank. Monopoly!

The people of the United States were against monopolies then and they are against monopolies now. And certainly, so far as I know, no man who advocates this or any other system desires to set up a monopoly. But, gentlemen, you cannot have monopoly on 5 per cent. Why do monopolies grow? Why do the trusts that the people dislike wax and grow fat? Because they want more business. Why do they want more business? So they can make more money. When the people talk of trusts and monopoly they often refer to the Standard Oil Company. I am not going to relieve the Supreme Court of its duty of deciding whether it is a monopoly or not, but I will say this: If by law to-morrow we could cut down the dividends paid by the Standard Oil Company to 6 per cent. or even 10 per cent., and provide that the balance of its earnings should go into the United States Treasury, you would not need to worry any more about the monopoly of the Standard Oil Company; it would disappear over night.

Hence I will say to my good friends here, they need not worry about setting up a monopoly where all the balance of the earnings above a certain amount must go into the Treasury of the United States for some public purpose.

Some of them say that the Standard Oil Company or Mr. J. Pierpont Morgan would control the situation, that they would dominate the country like a Colossus if we should set up a central institution. I have ventured to inquire who dominates the money situation now. Is it possible that they would be more completely in control than they are said to be at the present time?

Mr. Chairman, if the American people have not ingenuity enough, if we have not brains enough to put upon the statute books a law creating an institution in such a way that we will shut out either its acquisition by any great financial interests or political control, then we do not want it. We are ready to agree to this now: Unless we can demonstrate that it is absolutely impossible for either political or financial control to obtain, then certainly I know of no advocate of centralization that would not as lief endure the evils that we have now.

What I say, Mr. Chairman, is that you have got centralization to-day. Those who fear that the Standard Oil Company or Mr. Morgan would control are the first to charge that they are already in control. You have got centralization; you are bound to have centralization. The only thing for us to determine, for the American people to determine, is whether we shall have centralization under the regulation of law, under conditions which shall make them responsible to all the people, which shall create an institution clothed with this great power, which shall operate for the benefit of all the people of the United States, or whether we shall have centralization in private hands, used for the benefits of those who own it or control it.

"The country too large." Of course that merely means that we must adapt the institution which we create to the size of our country. We cannot cut the size of the country down very well. Hence, we do not want to bring over the Bank of Germany or the Bank of England, because they would not be adapted to a country of our size; but what we want to do is to make a bank that is adapted to a country of our size.

Political control is the other great argument that is used, and properly used. I am not making light of it, but in my judgment an institution could be set up which shall be absolutely free from political control. I want to say, Mr. Chairman, that politics in relation to banks has changed greatly since Andrew Jackson's time. In Andrew Jackson's time every bank came into political existence as matter of political control and political favor. In my own State, New York, no set of men could go to the Legislature and obtain a charter for a bank unless they were in accord with the political party in control there. It was party patronage, used the same as political offices were used. Charters were granted by legislative bodies and none other. All of that is changed. I stand here to say, gentlemen, that to-day the banks of the United States are not in politics. That is because of the free banking system we have adopted, both in the State and nation.

Mr. Chairman, if you were going to start a new bank in Philadelphia, or elsewhere, how would you go about it? You would go to men who had influence, men who had capital, men who could assist in the starting and the growth of such an institution. Would you care what their political views were? Not in the least. You would not care whether they were Republicans or Democrats, Prohibitionists or Insurgents. All you would want to know would be the character of the men that you were inviting to take stock in that institution. I doubt if there is a bank in the United States where every stockholder of it belongs to one political party. That, gentlemen, in itself has taken banks out of politics.

I see here my friend, Mr. Ridgeley, late Comptroller of the Currency, and a good one. Did any of you ever stop to think that the Comptroller of the Currency, virtually by law, is clothed with greater power politically, if it should be used, than any institution that we could set up along these lines? The Comptroller of the Currency to-day has only to point the finger of suspicion at almost any National bank in the United States to start a run upon it from its depositors.

Wonderful power should it be used. Yet, even in the heat of a Presidential election, did any one ever hear that the Comptroller had used the vast powers of his office for political purposes? Did any one ever hear that the Superintendent of the banks of a State, also clothed with great power, had used that power for political purposes?

Mr. Chairman, we have advanced a long ways since Andrew Jackson's time. Any bank official or Federal official who was found guilty of such practices would be hurled from power by an indignant people at the first election. [Applause.]

Mr. Chairman, I apologize for the time I have already taken and will bring my remarks to a close. I only want to leave this thought with the gentlemen present: and that is that the reform of our banking and currency system, surrounded as it is with difficulties, with our State and National control, with the obligation to build the house over our head while business is carried on beneath, is a task of tremendous difficulty. It is something that cannot be done by the Monetary Commission, it cannot be done by Congress. It can be done only by a consensus of opinion of the bankers and business men and people of the United States. [Applause.]

I am very thankful that this great body, meeting here as I understand for its forty-first annual meeting, has taken the lead among the business men of the United States in asking their members in all parts of the country to take up and study this subject. And let us hope, Mr. Chairman, that the result of this effort, by the Monetary Commission and by the business men and by the bankers generally, will be that in the near future we may succeed in the adoption of a banking system which will be commensurate with the power and greatness of this great country of ours. [Applause.]

THE PRESIDING OFFICER.—In behalf of this convention I thank the Vice-Chairman of the Monetary Commission for his luminous and convincing address. [Applause.]

Gentlemen, the next order of business is an address by Mr. IRVING T. BUSH, of New York, and I have great pleasure in presenting Mr. BUSH to you if he is in the house.

Professor JOSEPH FRENCH JOHNSON.—I am not Mr. BUSH, but in his absence I have been asked to read his speech. Mr. BUSH was suddenly called to Europe and could not be here.

Address, "The Simple Functions of a Central Bank," by IRVING T. BUSH, Chairman of the Currency Committee of the Merchants' Association of New York. Read by Professor JOSEPH F. JOHNSON:—

When I first became interested in the currency problem, I was attracted by the school which held that our entire banking and currency system was wrong, and that everything which had been done should be torn to pieces and abandoned and an entirely new system created.

This school believed that all State banks and trust companies should be forced to become National banks, and advocated an elaborate and ingenious system of reorganizing all the banking machinery of the country to meet their especial views.

The gentlemen who advanced these ideas were intelligent men and absolutely conscientious in their desire to do something for the betterment of the machinery by which our currency and financial operations are controlled. They were not, however, either bankers or business men.

It is inevitable that when a man takes up the consideration of a new problem he is controlled by his past experience, and I had not studied the currency problem very long before my point of view was adjusted by my training as a business man. Since then, I have endeavored to approach the problem, not from the standpoint of how radical a revision of our laws I can suggest, and how many ideals can be achieved, but rather in an endeavor to determine how much of our present system is satisfactory, and how little change need be made, for change always means disturbance.

I have endeavored to approach it as a business man would approach any other problem of reorganization. If, for instance, an industrial enterprise were found to be unsuccessful in its operation, and a business man were called in to diagnose the trouble, he would not begin by tearing to pieces the entire organization, but would endeavor to ascertain its weak parts and strengthen them. He might find that all departments needed a readjustment and speeding up, or perhaps that an energetic producing department was handicapped by an ineffective and extravagant selling force, or vice versa. In any event, he would endeavor to locate the particular trouble which needed attention and correct it.

IMPROVEMENT, BUT NOT REVOLUTION.

In approaching our financial and currency problem from this standpoint, I am impressed with the thought that there is much in our present system which is better than any other system in the world, that the defects, while radical and important, can be readily overcome, and that the difficulties are not nearly so serious as some believe. The important thing is to approach the problem with an unprejudiced mind and endeavor to satisfy the people of this country that a simple solution can be found, instead of confusing them with a complicated reorganization, which is perhaps unnecessary.

To begin with, the strongest feature of our present system is its great number of independent banks, each serving a separate community, with an intimate knowledge of the business conditions which surround them. The President and Directors of each bank have their fingers on the financial pulse of the community which they serve. They are in intimate daily touch with every merchant and industry.

A central bank, operating through branches and dealing directly with the business interests of the country cannot take the place of the independent banks which have been built up under the laws which we have enacted. I do not say that these laws are perfect. They have been changed many times in the past, and experience will suggest many

changes in the future. These changes, however, are not a necessary part of our currency problem. If it be wise to increase the amount of reserve carried by some of the State institutions, this can be done without making it a part of the reorganization of our currency. Let us keep that problem as simple as may be, without complicating it by the addition of other problems which do not form a necessary part of it.

SOME CENTRAL CONTROL ESSENTIAL.

While a central bank should not take the place of our existing banking institutions, the operation of similar central organizations in other countries has successfully established the fact that some element of central control is essential.

We have 20,000 established banks, each doing efficient work, but we have no method of bringing about united action in time of emergency. We have 20,000 soldiers and no general. The result has been that in time of panic, each one of our 20,000 soldiers has tried to steal the ammunition of some of the others, in order to fight his own little battle. It is not necessary, however, to disband the army in order to make it effective. Let us preserve all the advantages which we obtain from our system of independent banks and add the very great advantages which foreign nations obtain from the control by a central organization.

LOCAL FUNCTIONS NOT INVADED.

This does not mean that the central bank will have anything to say about the daily transactions of the independent banks or will in any way regulate the relations between the local banks and their customers. It merely means that we will superimpose upon our existing banking system an organization which will be the servant of our independent banks and of the communities which they in turn serve.

It will be a bank for banks, and will offer to the independent bank the same measure of accommodation and relief which the local bank affords to its customers.

Probably the most important function which this bank will fill is as a central depository for a portion of the reserves which are required by law. These reserves form the ammunition of our 20,000 soldiers. Each soldier should have in his cartridge box a sufficient amount of ammunition to meet any ordinary attack. The balance should be centered in one depository, where the knowledge of its presence and its great size will inspire confidence, and where it can be rendered easily available under intelligent control, for the need of any of the soldiers on the firing line.

Those who are opposed to a central organization in any form say that this can be readily accomplished by selecting a central depository, where a portion of the reserve can be held. They forget that while the mere presence of the reserve in a central mass may inspire confidence, it cannot be effectively used without some intelligent, directing control, and this control can only be effective through some central organization.

CONTROL OF CURRENCY.

The next function in importance will be the issue of currency. We all recognize that enlightened nations base their currency upon credit, with a substantial and adequate reserve of gold. A currency system, to meet the requirements of a nation so teeming with energy and enterprise as this, must be so elastic as to expand and contract with the requirements of trade. Most of us are convinced of the necessity of an expansion of currency, but many do not realize that it is just as necessary that the currency contract when it is not needed by the industries of the country.

The local bank is the bank of discount for the business community, and under ordinary conditions can take care of the requirements of the community which it serves. A central bank should be a bank of discount for the local banks. Let the man on the street picture to his mind that the note issuing of the central bank is merely to extend to the local bank by means of the rediscounting its negotiable paper, the same assistance to tide over an emergency that the local bank extends to him as a business man.

There must, however, be an organization for central control, to tell the local bank when it has gone far enough, just as the local bank must by its advice and co-operation check the unwise expansion of the merchant. If the local bank should rediscount with the central bank to an unlimited extent, the same condition would be created as would be the case if the local bank put no restrictions upon the amount of paper which it would discount for the merchant. There must be some wise, regulating control, which will perform the same functions in the central bank as the officers and directors of the local banks do in their institutions.

CONSERVATION OF GOLD RESERVE.

The third function in importance for the central bank is to deal in gold and foreign exchange, in order to conserve our gold reserves. This is the ammunition train which must be brought up by order of the commanding general to replenish the reserve ammunition. Each soldier cannot have his own ammunition train, and in the case of our financial system, the power to import gold or to deal in foreign exchange for the purpose of influencing gold to this country, must be delegated to a central control.

These three functions are about all it is necessary to grant to a central bank, and surely they are not very radical. Let us recount them:—

First.—The power to centralize and manage the reserves of the banks, so that they may be fluid and ready for instant use.

Second.—The power to issue bank notes by rediscounting, when necessary, for existing banks, maintaining, of course, an adequate gold reserve against all notes which are issued, and,

Third.—The power to deal in gold and foreign exchange, in order to protect and build up our gold reserve, when necessary.

If we grant these simple powers to a central bank, eliminate the danger of competition or friction with the inde-

pendent banks, and make the central institution merely a piece of machinery to serve other banks and through them the business community, we do not seem to be doing anything very dangerous or radical.

THE QUESTION OF A NAME.

The name which we give to this central institution is perhaps unimportant. We may call it a clearing house, a central bank or any other of the many which have been suggested. When it is once in operation, we in this country will understand its functions and limitations. In my opinion, it will be desirable to give it a name which will be understood and recognized abroad, but the name is not in any sense fundamental. The institution, and the principles upon which it is founded, are the essential points.

NO COMPLEXITY INVOLVED.

I have alluded to the necessity of recognizing that such an institution as we suggest is not a radical departure or dangerous or complicated, and if the delegates who are gathered here will go back to the various parts of the country which they represent and spread the knowledge that this problem is to be solved in a simple manner, they will do much to aid in its solution and to overcome the unjust prejudice which unfortunately exists to-day against a central institution of any kind.

Point out that the central bank should be owned by the united banks of the country and that the principle involved is not new, or, as some say, un-American—that it is simply an extension of the system by which the smallest merchant goes to his own bank for the discount of his note, so that that bank in turn may go to the united power of all the banks for assistance in time of need, by the rediscount of the note which it has taken from the merchant—a system by which we unite the banking power of the country for the protection and service of the business community.

REPORT OF COMMITTEE ON RESOLUTIONS.

Mr. PAUL WARBURG, from the Committee on Resolutions, read and moved the adoption of the following report:—

The Committee on Resolutions have examined the resolutions received by this convention, and begs to report as follows:—

Of the nine resolutions received from various commercial bodies, seven advocated in substance the creation of a central banking organization in the United States. These bodies were the following:—

The Chamber of Commerce of the City of New York, the Merchants' Association of New York, the New York Produce Exchange, the Board of Trade of Philadelphia, the Chamber of Commerce of Spokane, Washington; the Board of Trade of Scranton, Pa.; the Board of Trade of Wilmington, N. C.

The Chamber of Commerce and the Clearing House Association of Quincy, and the Commercial Club of Davenport, Iowa, sent in reports favoring the creation of some kind of currency based on clearing house certificates.

After a full discussion, your committee has passed the following preamble and resolutions, which it makes free to submit herewith:—

The first resolution has been accepted with all votes except one, viz: Mr. Acker's; the second resolution was adopted unanimously.

WHEREAS, A modern financial system, which must rest upon credit supported by adequate gold reserves, can be safe and efficient only if so organized as to enable the concentration of idle cash in one reservoir and to render such cash always speedily available for all legitimate needs, thus assuring confidence; and

WHEREAS, Careful investigation and the experience of all other great nations, have demonstrated that a central bank system is the most efficient instrumentality for this purpose, providing the means for such concentration of cash and assuring the transformation into cash, whenever needed, of deposits, commercial paper and other proper forms of credit; conserving the gold resources of the nation and maintaining the same at a safe proportion to its cash obligations; and

WHEREAS, The banking system in use in the United States has proved disastrously defective, because

It scatters reserves among more than 20,000 banks, each striving in time of stress, to strengthen itself at the expense of the others;

It prevents the utilization of reserves and the mobilization of the resources in banks which are invested in commercial paper;

It substitutes stock-market loans for discounts of commercial paper, making the former the regulator of the daily supply and demand for credit;

It provides for note issues absolutely irresponsive to business requirements, bringing about alternation of inflation and stringency;

All of which defects tend to destroy confidence and generate crises; and

WHEREAS, This convention is convinced that it is practicable to create a central bank system for the United States, free from political or sectional control, by means of which these defects can be remedied; an instrument, not of monopoly, but for strengthening, and preserving the independence of, the individual banks; an institution designed primarily for public service and not for profit; not to compete with existing banks, but to assist all of them to serve the business communities more efficiently; now therefore, be it

Resolved, That this convention unequivocally declares in favor of the creation for the United States of a central banking organization, based upon the following general principles:—

First.—That such central organization be a corporation endowed with a large stock capital and not merely an association of banks.

Second.—That its stock capital be owned by incorporated banking institutions, whether under National or State charter, willing to assume equal duties as a basis for equal privileges.

Third.—That its administration be divided between the Government, the member-banks and the commercial classes, in a manner which will safeguard against individual, sectional or political domination.

Fourth.—That its business be limited to transactions with the Government and with the incorporated banking institutions which become stockholders, i. e., member-banks, except as provided in paragraph nine, clause b.

Fifth.—That dividends on its stock be limited to a fixed moderate return and profits in excess of such dividends, after providing for a reasonable surplus and emergency fund, be turned over to the Government.

Sixth.—That its business be conducted through branches, to be established in the banking districts into which the country shall be divided, the member-banks of the several districts constituting joint associations and sharing in the administration of the branches.

Seventh.—That it shall, free of charge, receive and disburse all moneys of the United States Government in places where it shall have offices.

Eighth.—That it shall not allow interest on deposits.

Ninth.—That it shall have power:—

(a.)—To issue circulating notes payable in gold, to be secured by gold and negotiable paper, and, if necessary, eventually to retire the

present bond-secured bank notes, to a limited amount by Government bonds;

(b.)—For the regulation of its gold reserve to buy and sell bullion, and to contract for loans of gold, and under proper restrictions to deal and invest in foreign bills of exchange;

(c.)—To require the member-banks to keep with it a portion of their reserves prescribed by law;

(d.)—To rediscount, only for member-banks, commercial paper under regulations prescribing the limit of amount for each member-bank, the maximum time to run, and determining the degree of guarantee to be provided by the joint associations of member-banks of each district;

(e.)—Under careful and proper restrictions to discount approved American bank acceptances;

(f.)—To transfer funds standing to the credit of a member-bank, to the credit of any other member-bank at any of its branches.

(g.)—To buy and sell the bonds and treasury notes of the United States.

Tenth.—That the central organization is ultimately to become the sole note-issuing power.

Resolved, Furthermore, that copies of this resolution be sent to the President of the United States, to the members of the National Monetary Commission and to each Senator and Representative in Congress.

The PRESIDING OFFICER.—May I suggest that that last resolution which you read, to the effect that copies of this resolution be sent to the President of the United States, etc., might properly come in later, if there are any other resolutions to be considered. I infer that that was simply the first resolution you were reporting. Is that the whole action?

Mr. WARBURG.—No; but I think the second resolution will not be sent to Congress. So I do not see any objection to carrying this out as it is proposed. If there is any objection, we might vote on them separately.

I had the intention at first to say a few words in explanation of this resolution, especially as I believe Mr. ACKER will want to present his views as to why he did not, to our great regret, vote with us. I think, after the splendid argument made by the Hon. Mr. VREELAND, that it is entirely unnecessary for me to waste any of your time. I have very

little to add to what Mr. VREELAND has said so splendidly.

There is possibly one point I would like to emphasize which Mr. VREELAND did not bring out fully, and that is the centralization of banking power. Not only would there be no monopoly, the scattered directorships which belong to every section of the country preventing that, but quite the contrary; a central banking institution will break monopoly if it exists, or, as Mr. VREELAND says, as it exists.

A central banking institution has been in all countries the breaker of monopolies, the breaker of despotic power, inasmuch as by creating safe conditions, a central bank renders the small banks independent and they have no necessity at all any more to go to the big institution or to the Treasury to ask favors. In Europe it has been shown everywhere that the central banks are the strongest backbone for the independent banks in their fight against the branch banking system, which is threatening the independence of the small banks there.

I will now read the second resolution that we have to present:—

Resolved, That there be appointed by the chairman of this conference a committee of seven, to organize a business men's monetary reform league that shall have its main office in Chicago, with branches in the various centers of the United States where local committees shall constitute the management. The object of this league shall be to carry on an active campaign of education and propaganda for monetary reform, on the principles, without endorsing every detail, of a reserve association with branches in the business centers of the country as outlined in Senator Aldrich's plan.

Resolved, That the delegation here present be requested to use their influence in the commercial bodies they represent to gain the active co-operation of these bodies and of their individual members in the work of the league as defined.

Resolved, That the business men's monetary reform league be requested, when organized, to provide for a committee on propaganda and education, and also for a committee on legislation whose duty it shall be to further monetary legislation on the principles adopted by the league.

Resolved, furthermore, That the committee on organization be requested to bring about the co-operation and, if possible, a consolida-

tion between this league and the National Currency League already organized about a year ago by the Merchants' Association of New York.

This resolution was passed unanimously by the Committee on Resolutions. I ought to say a word in explanation of this. I ought to make clear in the beginning that we indorse the principle of a reserve association, with branches in the business centres of the country, and not the details, leaving them entirely open, as Mr. VREELAND suggested, as it is clear to all of us that those details will have to be thoroughly digested and worked out.

Your committee was unanimous in the idea that the underlying thought of it deserved the fullest co-operation and commendation of these bodies.

What your committee thought ought to be done is this: Again, as Mr. VREELAND said, this can only be solved if the people take it in hand, not the Legislatures alone being left to settle it, but let the people take it in hand. The majority of the legislators have shown a great disinclination, to put it mildly, to disclose what they think. A great many have been afraid that standing for anything like a central organization means being for capital and for special interests. So it must be shown to the people that this organization is going to be the backbone of the little fellow, that it is going to be the protection of the little fellow. The big fellow gets through a crisis all right; it is the small fellow who goes under and suffers; it is the grocer and the charwoman. This is not a banker's proposition; it is a proposition of all the people. It is that thought that we desire to impress upon the minds of the people. When we do that we shall win.

It is from this point of view that we want to organize a league all over the country; that we intend to go back to the bodies which we represent here and ask them to back us up on that; that each section of the country should organize a strong committee for propaganda and education, to carry this thought to the people and get them so much imbued with it that the legislator will feel that he has got to do it because it is the most creditable thing he can do.

We chose Chicago as the headquarters of this Monetary Reform League or committee, because we thought it would come with more power if it came from the West rather than the East; and the East will have its local committee, as well as other parts of the country.

In reference to the last paragraph, I should explain that the Merchants' Association a year ago started a league of this kind, possibly a little ahead of time, because at that time the thoughts had not matured so that any actual plan existed for which we could start out and fight. Now the psychological moment has come, and it is not only desirable, but I think it is our duty that we should go ahead and enter upon this fight.

I think it would be very desirable if the Merchants' Association, which is represented here, should join in this movement and let it be done through one organization, rather than two, because the work could in that way be done much more effectively.

The PRESIDING OFFICER.—The Chair suggests just this practical rearrangement: that the words "*Resolved, furthermore, That copies of this resolution be sent to the President of the United States,*" etc., be brought in at the end of the whole paper.

Mr. WARBURG.—Very well, we will accept that; and I move the adoption of the report and the resolutions offered!

The PRESIDING OFFICER.—The Chair thinks it would be proper and parliamentary that Mr. ACKER, who dissented with regard to the first resolution, should have the floor at this point.

Mr. ACKER, of Philadelphia.—Mr. Chairman, I offer this resolution as a substitute, and in offering it I appreciate the delicacy of appearing as one member of a committee of nine and having the temerity to present a separate resolution which differs with the conclusions of the remaining members of the committee.

The natural inference would be that the individual doing this is very obstinate, but I think my colleagues on the com-

mittee are convinced that it is not a case of obstinacy, but a case of principle, a case of logical belief that the course recommended in the other resolutions is not the wise course; and until I could be convinced that it was such I could not consistently indorse it.

I also wish to say that in the discussions of the committee there were no radically conflicting views.

As some of you know, I have not been, up to this time, an advocate of a central bank, for the reason that it was difficult for me to see how it was possible for a central bank to be free from control either by special financial interests or by political influences.

Now, I am glad to say that in reading the plan of Senator Aldrich I am most favorably impressed with the thoroughness with which that plan endeavors to guard against that very condition of affairs, and I am free to say that at the moment I think it is possible for a central organization of that kind to be without undue control by those interests, although yesterday, before I saw that plan, I doubted the possibility of it. A year ago, when the question was discussed upon this floor, the gentleman who advocated a central bank was unable to show how it was possible to control a central bank without one of those interests controlling it. Going further, however, into the plan of Senator Aldrich, I was not altogether satisfied with the functions of the central National bank, and yet, as I explained to the members of the committee, it is quite possible that after each one of those details is carefully considered, judged from all points of view, I might favor every feature recommended by the New York Chamber of Commerce.

I want to say right here, that because of my personal study and investigation of public questions, that I fully appreciate what those resolutions of the New York Chamber of Commerce represent in the way of patient research in formulating the concrete and specific financial plan as recommended, and I am sure that a large part of the credit is due to our friend Mr. PAUL WARBURG, whose thorough study of the science of finance, and whose personal knowledge of the practices and requirements of extensive banking, entitles

all of his recommendations to the most serious consideration. So that there is no radical difference between myself and the rest of the committee as to what should eventually be adopted as the best financial system for this country.

But this is what I want to call attention to: Senator Aldrich, in presenting his document, which we got yesterday afternoon for the first time, starts out with this statement:

I, of course, do not expect the immediate approval of the commission or that any formal action will be taken upon it. The plan suggested is a personal one that I fully believe will answer the requirements of changed conditions. It will certainly furnish to the commercial organizations of the country, who are now considering this subject, a basis for criticism and discussion.

From this statement it is evident it was the purpose of Senator Aldrich that this tentative plan, which is the first specific declaration upon the part of the Monetary Commission as to its probable action, was intended to be discussed all over the country for the purpose of bringing out the very best thought of the people in every part of this country, so that finally a bill could be framed which would be as ideal as could possibly be framed. Now, that is further borne out by this statement, on page 4:—

I recognize the fact that the formulation of a definite plan is the task of the commission, and can be accomplished only after the subject has been studied with care in all parts of the country. Discussion will certainly modify and improve its details.

In other words, Senator Aldrich did not present his tentative plan as a completed plan, but as a plan to start the discussion of this important subject. He follows it with this statement:—

While we have found much that is admirable in the operation of the various government banks of Europe, none of them is applicable to our needs here. The good results they have obtained, can, I believe, be reached without the creation of such a central bank.

You will notice in his article that he calls his proposed institution, not the central bank, but the Reserve Association of America, and also says:—

I feel that the plan which is proposed reaches those results without being open to the objections which may well be brought against such an institution.

I am calling your attention to this in order to show what seemed to be in the mind of Senator Aldrich in furnishing this tentative plan. In the first place, that he wants it to serve simply as a basis of discussion; and, in the second place, that he does not want the term "central bank" used, whether this Reserve Association might be technically called a central bank or not; but in any event, Senator Aldrich has reasons for not calling it a central bank.

Now, there is one criticism which is sometimes made regarding the action of the National Board of Trade, and also of similar organizations, which is that we meet together, appoint a committee to consider and report upon a subject, and after a few hours' discussion we reach conclusions which we believe to be final and absolutely sound, although the same subject may require months and months of investigation and discussion in Congress before reaching a satisfactory conclusion. Very often the criticism has been made that the conclusions of the National Board of Trade, and of similar organizations, with but very brief time for consideration, cannot be other than superficial.

Now, I want to call attention to this feature. I think the National Monetary Commission has been appointed about two years. They have no doubt carefully studied the various works published on the subject. I have been honored by receiving copies of many of their publications, but I am frank to say that I have not read all of them, and I doubt whether many gentlemen in the room have read all of them. Perhaps Mr. VREELAND has—I will not ask him.

Mr. VREELAND.—I hope not. [Laughter.]

Mr. ACKER.—There is a great mass of valuable information which has been gathered and which is available for helping to determine this question. Now, I am not betraying confidence when I say that speaking of this matter to a member of the Monetary Commission, he said they were not in a position to decide upon this plan at once; that the only practical way would be to have careful consideration given to every detail of that plan, to draw all the adverse criticism

from all interests and all localities, and then determine whether the adverse criticism was tangible.

That being the case, I felt that the influence of this organization would be weakened if, after two hours' discussion by a number of gentlemen, this National Board of Trade should formulate and send out to the people of the United States a "complete plan of monetary reform," which the Monetary Commission itself is not yet committed to. And, on the other hand, I also felt, Mr. Chairman and gentlemen, that the general public would be justified in feeling that the conclusions had not received the serious consideration which the importance of the subject demands, because of their knowledge that in so short a time all the pros and cons of this important question could not have been properly considered. I also felt that many commercial organizations, with the actual facts before them, would fail to attach the desired importance to the conclusions of this body, while their hearty co-operation could be secured by a more tactful course. That tactful course I have embodied in this resolution, which is not antagonistic to the other, but which would guide the movement in an entirely different way:—

WHEREAS, A tentative plan for the revision of our monetary system has just been formulated by Senator Aldrich, chairman of the National Monetary Commission, which plan displays masterly thought and wide observation; and

WHEREAS, In the introduction to said tentative plan Senator Aldrich expresses the opinion that he does not expect its immediate approval by the commission, but that it will furnish to the commercial organizations of the country, who are considering the subject, a basis for criticism and discussion;

Resolved, That in response to and in conformity with the above suggestion, the Business Men's Monetary Conference earnestly recommends to all financial and commercial organizations a thorough, analytical study of the tentative plan of Senator Aldrich, together with such desirable modifications or changes as may be suggested in the progress of such discussion, with the view of correcting any error which may be disclosed, or for strengthening the plan to meet the varied requirements of the nation prior to action thereupon by Congress.

Now, Mr. Chairman, I offer this resolution, as I said before, appreciating the delicacy of appearing singly in its in-

dorsement; but in this case, as in all cases with which I have been connected, I think the members of the National Board of Trade realize that I act from no spirit of perverseness, because it is always more pleasant for me to agree than to disagree with my colleagues. But after carefully considering the question, I feel that if the proposed elaborate and specific resolutions are recommended at this time, and under these circumstances, that they will not bring about the necessary monetary and banking reform so soon as we can by the plan that I have suggested.

Had I gone through all the financial investigation which Mr. WARBURG has, and particularly had I been affiliated with the same interests, it is quite possible that I would have been ready, individually, to indorse every one of these recommendations. But I have not done so, and probably but few who are now present will claim to have made so thorough a study of the subject as to qualify them to intelligently support every detail of those resolutions. The public at large will know that we could not have given sufficient study in one day's time to the questions involved to attach very serious importance to our conclusions, and it is for the purpose of aiding monetary discussion, and facilitating wise and prompt action by Congress, that I have offered this substitute for discussion.

A DELEGATE.—I second the motion of Mr. ACKER, that his resolution be adopted.

The PRESIDING OFFICER.—The substitute offered by Mr. ACKER is before the house.

Mr. WOOD, of Philadelphia.—Mr. Chairman, when the subject was brought before our local body for the purpose of acting upon it and bringing it before the National Board of Trade, we felt that it was impossible to analyze the proposition in the time before us; but we felt that the care with which it had been prepared and the demand for some comprehensive plan for reform in banking and currency justified us in sending it to the National Board of Trade for their consideration. I cannot say that the little time which I have been able to attend the sessions has added very much

to my knowledge of the subject, and I would therefore very much prefer, and I think the sentiment of our own Board would be, that such action as Mr. ACKER suggests should be adopted by this Board of Trade.

Mr. ASPEGREN, of New York.—Mr. Chairman, under ordinary circumstances I would support the resolution proposed by Mr. ACKER, but in this particular case there are some remarkable circumstances and some remarkable things that have happened, that make me favor Mr. WARBURG's resolution altogether.

When it comes to proposing a remedy for our problems of currency there are three classes of people who, more than others, are vitally interested. First, the bankers, naturally; second, the legislators, and, third, the business men—the plain, ordinary everyday business men, like most of us are.

In formulating a plan it is necessary that the business man be taken into consideration, also the banker and the legislator. The banker is human. He loves his business, but he is in his business not only for the love of it, but also for the money that is in it. And the legislator, when we attempt to exchange our bond-secured currency for an asset currency, will ask us what are we going to do about United States bonds. As I say, these three classes, and last of all, but not least, the business man.

You all remember three years ago we had our panic. We will never forget it, I am sure. After the panic was fairly well over a cry went up, "We must do something." We were all united until the next month came the question, "What were we going to do?" And I have never seen any one proposition come up on which opinion was so much divided. The worst of it was it was not only division of opinion, but there was a great amount of prejudice, obstinacy and preconceived opinions thrown into the controversy. You have heard a man say to you, "I am against any central bank of any kind and description, I don't care how you do it." Such a man will refuse to listen to anything. He has made up his mind beforehand. One man will refuse to let

the Government have anything to do with a central bank and another one wants the Government to have everything to do with it. There were so many different opinions, and shades of opinions, and plans and suggestions put forth that it was apparently impossible to accomplish anything. That was the situation three years ago. I, for one, felt that it was almost a hopeless task. I felt that the best that could be accomplished would be a compromise, that it would be a case of give and take, and at the best we would only have some kind of a compromise measure that would half way fill the bill and do it fairly well; and that was about all we could expect. Then we set out to work. The Monetary Commission set out to study the question, and they studied it hard—very hard. There appeared in this country the greatest set of publications on the monetary question that has ever been given out in any country. Some four or five months ago the National Board of Trade distributed copies of these books to practically all of the commercial organizations of the country. They asked us all to help. The Produce Exchange, of which I am Vice-President, appointed a committee, I being one of the members, to work out a plan; and then it began to look better, because public opinion was changing

We set to work and we studied, not all the forty volumes, but we studied a great many of them. This meant a great deal of work. Finally, after having done the best we could, we worked out a plan. But in a way it was tentative, it was a plain, ordinary business man's plan. We had no banker, we had no legislator on our committee, and so we did not know what kind of a reception our plan might meet with from bankers and legislators.

After having made our report we sat down waiting; we were kind of scared, we were a little bit afraid. We had done our level best, but we were a little afraid of what was going to happen to us. Well, ten days ago, a conference was arranged in New York between the Chamber of Commerce of New York, the Merchants' Association and the delegates of our Exchange. Unfortunately, I was not present, as I was in Washington attending the Tariff Com-

mission Convention; but when I came back the first thing I did was to find out what had been done. The gratifying news I had was that the chamber of Commerce had been working along exactly the same line as ours, that their views were fairly identical with ours and that the delegates from those three organizations had united upon a proposition without a single dissenting vote; they had agreed upon the resolutions which you see printed here.

Well, now, gentlemen, on our committee we had only plain business men. The Chamber of Commerce had not only business men, but they had bankers. As I said, we were a little afraid of the bankers; we did not know how they were going to treat the matter. We were more than gratified to find that at least two of these three classes—the bankers and the business men—were able to unite on one proposition. However, there was still the third class to be heard from—the legislators. We were still very much afraid of them. We did not know just what to expect from them. We were told yesterday morning that we would see Senator Aldrich's statement in the afternoon papers and we would get a complete statement that night. I don't know how many papers I bought yesterday, I believe about twenty-five certainly, looking for that report. Towards half-past 3 I got two new editions of papers with headlines, with "Senator Aldrich's statement." One of them read about as follows: "Senator Aldrich favors a central bank." I picked up another paper, which read: "No central bank in the scheme of Senator Aldrich."

I did not know just "where I was at," but I took the whole statement up, paragraph by paragraph, and I found that both those statements were correct, because he advocated a central bank, but called it something else. But paragraph by paragraph, I found that his recommendations are nearly identical with those advocated by the New York Chamber of Commerce and those of our humble body; and to-day we have heard the address of Mr. VREELAND, and he is in thorough accord with everything that has been recommended by those three New York organizations.

As I say, under ordinary circumstances I would stand by Mr. ACKER and his resolution, but a remarkable thing has happened. The remarkable thing that has happened is that the business men of this country, the bankers and the legislators of the country, have practically agreed upon something. That was something I never expected. The reason why they have agreed, I think, is because they have gone about it in a proper way. They have first acquired the knowledge. They have got facts and they have got the truth; and, based on the facts and on the truth, they have gone about it and built up a system that will do away with the great diversity of opinions that we have had before. [Applause.]

Now, gentlemen, as all of these three classes have agreed upon one thing practically, the resolution as proposed by Mr. WARBURG, it would almost seem as if our work were done. But never was there a greater fallacy. After what we have heard from Mr. VREELAND, after having read the statement of Senator Aldrich, we can expect that Congress will be given some kind of a bill from the Monetary Commission which will respond to the needs of the business community, which will be agreeable to business men and bankers alike. I feel safe in saying that we can expect that. But, gentlemen, there is another thing. It must also pass Congress. Remember that everyone of these Congressmen before he votes in the affirmative is going to consult with his constituents.

Three years ago there was a tremendous amount of prejudice, obstinacy, preconceived ideas prevailing upon this subject among the business men and the bankers of America. I believe that most of it has passed to-day; but there remains yet among the public at large to some extent that very same prejudice. That prejudice must be overcome before we can expect Congressmen, after having consulted with their constituents, to advocate the passage of such a bill.

Now, nothing short of the same campaign of education and elucidation among the general public at large that has prevailed among us will bring about that solution, and for that reason I think that the second resolution that has been

proposed by Mr. TRUESDELL this morning and brought in by Mr. WARBURG this afternoon is an admirable one. Nothing short of dissemination of the facts and the truth among the people as a whole in this country will bring about that public sentiment that is needed to secure the passage of any bill in Congress. [Applause.]

The PRESIDING OFFICER.—It is the duty of the Chair to call the attention of the speaker to the fact that the only question before the house is upon Mr. ACKER's substitute—not upon the other resolutions offered by Mr. WARBURG, which were agreed upon by the committee.

Mr. ASPEGREN.—I have been probably carried away a little by my enthusiasm. I believe I have given my reasons on the subject and for that reason I feel we are fully and thoroughly prepared to-day to vote on the question, and not postpone the question until next year, as is proposed by Mr. ACKER.

In conclusion I just want to say a word of appreciation and congratulation, and I believe I am allowed to say that because it is pertinent to the subject of Mr. ACKER's resolution. [Laughter.] That is, in this work the legislators have asked the business men of the country to help them. I hope they will continue to do so, for the mutual benefit of both of them. I am sure I voice the sentiment of every man present when I say that the business men of this country are willing to give all of their time and whatever experience and intelligence they may have and place it at the disposition of the legislators when it comes to solving the problems of our great country. [Applause.]

Mr. SACHS, of New York.—Mr. Chairman, I will not delay the meeting very long, but simply hope we shall act promptly at this meeting in support of the resolution offered by Mr. WARBURG and not the one in the support of our friend, Mr. ACKER.

I admire Mr. ACKER's energy in bringing the resolution he has brought forward, but I feel we have reached a point in the discussions when it is necessary that some-

thing material be done quickly. The great trouble with our people in this country is that we forget what occurred in 1907. In 1907 we were all full of good resolutions that something had got to be done. I know that in my own experience, as a great dispenser of credits—if you will pardon me for a few moments—I saw distress in hundreds of places, and I was obliged to use every possible facility which I could command and which European friends could command for the alleviation of distress. I found that not only merchants, clients of ours, the best men in the world, were in distress, men with ample assets, but I found that small trust companies that did not have the facilities that larger banks had to go to the clearing house were also in distress. I found that every possible arrangement had to be sought and every possible advantage had to be secured in order to bring relief to the best people in the land.

On such an occasion our people are always ready to stand by their good resolves and say "Just as soon as this trouble is over we have got to do something." Three years have passed since then. The best thought that could possibly be given to this has been applied, and this has been worked out by energetic men, and the three important bodies of the city of New York, besides great interests in the West, have sent in their approval of this plan. It is along the line of the plan of Senator Aldrich. I think it should be approved by this body. I feel that we should not waste another moment, but that we should approve thoroughly what has been done here to-day, both in the resolutions of the Chamber of Commerce and in the work of Senator Aldrich.

That does not by any means mean that everything that is in the plan of Senator Aldrich is going to be carried to completion; but it is at least the first thoroughly good work that has come to us from such sources, and, in addition to the work of the Chamber of Commerce, we have something substantial to stand on. I therefore repeat that I hope my friend's (Mr. ACKER's) resolution will not be supported, but that of our Chamber of Commerce, the Pro-

duce Exchange, and Merchants' Association of New York will be supported. [Applause.]

Mr. REYNOLDS, of Scranton.—I have read the tentative proposition of Mr. Aldrich, and while it would seem to meet the approval of all thoughtful observers of this question, there are dangers in the advocacy of the Aldrich plan that might prevent the early legislation which we all desire.

The Aldrich plan is criticised by such eminent authority as Mr. Aldrich's colleague of the Monetary Commission, Mr. VREELAND, in that it excluded State banking institutions from the benefit of the proposed plan. Nor does it take into account the vast power of the great trust companies, which companies would naturally be against any plan which did not comprehend their ability to participate in it. I therefore hope that the substitute resolution will be defeated, because somewhere, some time, somebody must indicate, and no better body could indicate their preference for the main details which Mr. Aldrich has worked out than a non-partisan body of men like this, who are devoting their time absolutely, patriotically, to the consideration of this and other questions which have confronted the country in the past and must continue to confront us in the future.

There is also another thing that makes me hope that the substitute resolution will be defeated. These resolutions as presented here have evidently been well considered. It is remarkable, as one gentleman has remarked, what a unanimity of conclusion there is among the various resolutions presented by various constituent members. The Scranton Board of Trade comes here with a resolution unhappily using the term "Central Bank"; but in the main the plan is covered by the Scranton Board of Trade.

The details have been worked out fully by some of the members of this body.

There are two other propositions of the Aldrich plan which I would like to get Mr. VREELAND to enlighten me on: As to whether or not it is wise to include in this plan

—which it seems to me should be directed wholly to and concentrated upon the object and the purpose of the creation of a sound currency—the proposition of additional powers to be conferred upon national banks, in two classes, one to be given the power to make loans on real estate and the other to act as trust companies.

I think that will meet with determined opposition, and I think the important proposition ought always be in our minds, that we ought to concentrate every effort at this time at least to minimize opposition, and unite every financial force in this country upon effort to secure as early legislation upon this proposition as possible.

I can conceive that Mr. VREELAND's position in admitting State banks to the benefit of this proposition will immediately neutralize what might be a strong and successful position for securing the consummation of this which we hope for so much. I can also see these two propositions will also tend to create an unnecessary opposition. If those propositions are meritorious, they may well wait until we have at least secured the benefits of an improved currency.

I speak from both sides of this proposition. I am interested in the national banking organization and I am interested in the State banking organization.

The PRESIDING OFFICER.—The Chair may point out that in the resolutions supported by the committee, the only reference, at least the only reference the Chair has been able to find to Senator Aldrich's plan is in the reference to the league to carry on the work of education, and that says: "The object of this league shall be to carry on an active campaign of education and propaganda for monetary reform, on the principles, without indorsing every detail, of the reserve association with branches in the business centres of the country, as outlined in Senator Aldrich's plan." There is nothing in the resolutions committing this body, or the league to be organized by it, to an advocacy of every detail or to an advocacy of the very points that have been criticised by Mr. REYNOLDS.

Mr. REYNOLDS.—I appreciate that, but my object in discussing this question is this: The members of this body go back to a considerable portion of the population of the great cities and financial centres with certain ideas. Now if they can go back and enlist all the forces that can be enlisted in behalf of this plan, the consummation of this question ought to be brought about very speedily. If, on the other hand, the idea goes out that the Aldrich plan proposes to exclude eighteen thousand banks from the benefit of this proposition, then it follows that there is going to be an active competition by the Government for the trust business of this country, and then you are going to postpone what, in my judgment, is going to be a most advantageous proposition, by enlisting against it so many organizations.

Mr. TRUESDELL.—Mr. Chairman, I think an answer is made to that possible objection in the report of the committee. In the first part of the resolution recommended, the second clause, it says: "That its stock capital"—that is, the capital of the proposed organization—"be owned by incorporated banking institutions, whether under national or State charter, willing to assume equal duties as a basis for equal privileges." That is in the recommendation and the report of the committee.

Mr. REYNOLDS.—I understand that, but in explaining my proposition, under this tentative plan of Mr. Aldrich, he has committed himself only to national bank organizations, and that that was his plan he has shown in numerous references, which I consider likely to impede the movement.

Mr. VREELAND.—Inasmuch as the gentleman referred to me, it seems to me, as I read these over, that the association is not indorsing anybody's plan. At this stage, knowing that there will be no legislation this winter, and therefore that there cannot possibly be any until a year from this winter, I should deem it unwise for any commercial body to commit itself in detail to anybody's plan. I should be unwilling to do that myself.

As I understand it, in these resolutions you are adopting general principles. When we come to the details, that is a detail which will receive a great deal of attention. I am president of a State institution myself.

Of course, if they made it advantageous enough we could change it to a national institution. But there need be no fear that the eighteen thousand State banking institutions in this country will not be heard before any statutes are put on the books.

I do not understand that we are indorsing Senator Aldrich's bill in this; I understand that we are indorsing general principles. As I understand, all the details of the bill are yet to be arranged, and this legislation, like any other legislation that goes on the statute books, must come in its detail finally as the result of discussion, must come as the result of compromises and putting there what seems best in the final analysis. And that is not to-day.

MR. WARBURG.—May I just say a word to Mr. REYNOLDS? I think, the way I read it, that Senator Aldrich's plan is not quite understood in this respect. I don't think that he disagrees so much with Mr. VREELAND and with Mr. REYNOLDS. I may possibly be able to interpret him on that, because I have worked along the same line and I have reached the conclusion that one of two things will happen: that either all State banks will become national banks, or all national banks will become State banks. If you take away the note issuing power from the national bank, there doesn't seem to remain much difference between the State and national bank in the end. If you continue, as I suppose you will, to ask the national banks to keep so much reserve, it stands to reason that the State banks will very likely have to come up to somewhat the same reserve that the national banks now maintain or the plan would not be quite fair. Or, if you let down the bars, and say you do not need as much reserve under the new system as under the old, then again the national banks would become State banks. And the same thing holds good about trust companies. Trust companies now

do practically a banking business. They do it under circumstances which are not quite fair to banks in general. If the trust companies want to come in, as they should come in, some kind of reserve applying to them, or some examination, will have to be provided.

As I say, all these things will have to be discussed. The banks will want to be heard and the trust companies will want to be heard.

One word in closing, and that is in reply to Mr. ACKER. I don't think that it is right that Mr. ACKER should say that we have considered this subject just for two hours, and are asked to come to some conclusion. We have considered it for five years. Before the crisis of 1907 came some of us had begun to investigate the matter. Mr. ASPEGREN has given you a description of how they worked. I never met anybody who was a member of the Produce Exchange, so far as I remember, and in fact did not know any of them personally until we met about a fortnight ago. Independently of that organization, we in the Merchants' Association worked all last winter, not only by day but by night, and I might say that when we began they stood where Mr. ACKER stands to-day, and it required hard work and patient investigation before we reached the conclusions that we did reach. If we get to-day from the North and the West and the South independent conclusions, from all these parties who have not been sitting quiet all this time, but have been studying the question—if we get the same conclusions from them which we have reached, after our study, it shows pretty well that we cannot be far away from being right. I think, as Mr. SACHS says, it is about time we should act, and that unless we give all the stimulus to this thing we can, the next panic will find us in as bad a condition as the last one.

I therefore hope the resolution as presented by the committee will be adopted.

The PRESIDING OFFICER.—The question before the house is upon the adoption of the substitute moved by Mr. ACKER.

Mr. ACKER's substitute was rejected.

The PRESIDING OFFICER.—The question now is upon the adoption of the resolution moved by Mr. WARBURG on behalf of the committee, and as the only opposition appeared to be to the first resolution, the Chair will, unless the house otherwise directs, put the resolutions all together.

Mr. ACKER.—I would ask that they be voted on separately.

The PRESIDING OFFICER.—The question comes therefore upon the first resolution. That is the resolution for which Mr. ACKER moved a substitute.

The first resolution was agreed to.

The PRESIDING OFFICER.—The first resolution is adopted. The second resolution is a resolution providing "that there be appointed a committee of seven to organize a business men's monetary reform league that shall have its main office in Chicago, with branches in the various centres of the United States where local committees shall constitute the management," etc.

Do you want that and the succeeding resolutions read and put separately?

Mr. ACKER.—It would seem to be better, simply as a matter of orderly procedure. I do not request it, however.

The PRESIDING OFFICER.—The Chair does not see why it would not be better, as there seems to be no objection to them.

Mr. ACKER.—I have no choice in the matter, Mr. Chairman.

The PRESIDING OFFICER.—That being so, the Chair will put the question on the second, third, fourth, fifth and sixth resolutions.

The resolutions were adopted.

The PRESIDING OFFICER.—Those resolutions are unanimously adopted.

Is there any further business before the house? The Chair would state that as the second resolution provides for a committee of seven to be appointed by the chairman of this conference, he would very much prefer to take time in selecting the membership of that important committee, as their work will not begin to-day; and, with the permission of the house, the Chair will not announce the members of that committee at this time.

Thereupon, at 5.05 P. M., the convention adjourned.

THIRD DAY.

THURSDAY, JANUARY 19, 1911.

The gavel fell at 10.40 o'clock A. M.

The PRESIDENT.—The Chair understands that Mr. VIAUX, of Boston, is not very well and has to start home soon. He is a very busy man and has asked the Chair to recognize him, as he has a report to make.

NOMINATION AND ELECTION OF OFFICERS.

Mr. VIAUX, of Boston.—Mr. President and gentlemen of the National Board of Trade, the success of a business corporation depends primarily on the intelligence, zeal and enthusiasm of its executive officer.

This association has for the past five years been fortunate in having a President who not only combined these three cardinal qualities, but added to them the very desirable and attractive co-ordinate endowment of tact, impartiality and courtesy as a presiding officer.

Furthermore, he has freely opened his purse for its service and welfare.

It must, accordingly, be gratifying to the delegates to know that he is willing to bear the stress of the Presidency of the Board for still another year.

Your committee is assured that the delegates will do all in their power to strengthen his willing hands by heartily encouraging the proposed work of amalgamation of other important business organizations with this Board in order to form one great central commercial body of the Union, whose voice will more than ever be heard with unmistakable impress for the common benefit.

Your committee accordingly unanimously reports FRANK DALE LA LANNE for re-election as President of the Board. [Applause.]

The PRESIDENT.—Col. HITCHCOCK, may I ask you to take the Chair. I feel embarrassed under such circumstances! [Laughter.] Therefore, I should like a man in the Chair who has more cheek than I have. Gentlemen, I take much pleasure in presenting Mr. HITCHCOCK to you as your presiding officer.

Mr. F. L. HITCHCOCK took the Chair.

Mr. LOGAN, of Pittsburg.—I desire to move the adoption of the report just read and the election of the nominee by acclamation, or that the Secretary be directed to cast the ballot of the Board, if that is the proper form.

The motion was agreed to.

The SECRETARY.—I take great pleasure in announcing that I have cast the ballot of this Board, under the instructions just received, for the election of FRANK DALE LA LANNE as President of this body for the ensuing year, and so report.

The PRESIDING OFFICER.—From the report of the Secretary, I have great pleasure in declaring that Mr. FRANK D. LA LANNE has been unanimously elected President for another year. [Great applause.]

In doing so, I desire to congratulate the Board, first of all, and then I want to say that while I have been a delegate for, I think, something like fifteen or sixteen years successively, and while I have participated in the great work of the Board in all those years, it seems to me that particularly during the time of Mr. LA LANNE's incumbency the Board has come to the front very rapidly. It has been doing great work, and no greater work than during the past year, as you all know.

I again congratulate the Board upon the election of Mr. LA LANNE and I have great pleasure in congratulating Mr. LA LANNE himself upon his unanimous election to this important position. Will you now take the Chair, sir. [Applause.]

Gentlemen, your new President for the coming year!

President LA LANNE resumed the Chair.

Mr. VIAUX.—I have an additional report to make.

Your committee also reports his able coadjutors, CLINTON WHITE and WILLIAM HARRIS DOUGLAS, for re-election for First and Second Vice-President of the Board, and as Treasurer, WILLIAM R. TUCKER, who has so long and ably served it as its Secretary and as its Treasurer.

This report is respectfully submitted, signed by FREDERICK H. VIAUX, CHARLES ENGLAND, W. T. ROBINSON and ACHILLE STARACE.

On motion of Mr. LOGAN, the ballot of the Board was cast by the Secretary in favor of the nominees respectively reported from the committee, and the Chair declared them unanimously elected.

The PRESIDENT.—Gentlemen, I gratefully appreciate the compliment of being elected as your President. I want to say that my five years of the Presidency of this important organization have been the five most agreeable years of my life. I say, that advisedly, because while holding the office of President of this great organization I think I have been brought into close and pleasant relationship, not only with the President of the United States, but with all the cabinet ministers and very many members of the Senate and the House; also everywhere I have gone to visit—and I have visited many parts of the country—I think, without exception, I have been treated in the most distinguished manner; I have been met by warm, close and real friends, the best merchants, bankers, manufacturers and public men of the country, and so I feel that my position as your presiding officer has given me very much power for the performance of this pleasant work. In doing that work I have steered the best I could, and next year I will do the very best I can. My health is not particularly good, and I had expected that another man would be your President the coming year, because I had thought of traveling around the world with my family for two years, something

I have looked forward to during the last twenty-five years. But, serving as your President, my trips will have to be very short.

I desire to say that the usefulness and influence of the Board have grown much by reason of having a Commissioner permanently in Washington, Mr. ANDERSON, who can be in our service every day of the year. He will always be at his post to attend to matters here, so that if delegates have any suggestions to make, let them be made to Mr. ANDERSON; or if there are any interviews to be arranged for with members of Congress or Senators, Mr. ANDERSON will be in his office, ready to make assignments with committees; and he, himself, being an excellent speaker, will be able to go with any committee of the Board who come to Washington and at their behest to do what they request. It is a very important matter that the National Board of Trade is able to keep a gentleman as Commissioner who has his office permanently in Washington.

I thank you, gentlemen. [Applause.]

It has always been our custom to appoint a delegate to escort each of the various officers to the platform in order that they may express their recognition of or thanks for their election. The Chair accordingly appoints Mr. FERNLEY to escort to the platform our newly elected First Vice-President, Mr. CLINTON WHITE, of Boston.

Mr. FERNLEY accordingly escorted Mr. WHITE to the platform.

The PRESIDENT.—Gentlemen, here is your new Vice-President.

Mr. WHITE.—Gentlemen, I fully recognize the honor you have conferred upon me by re-electing me as your First Vice-President. Under the very able management and leadership of our President the office of First Vice-President in this organization is one that does not require very much work. I have heretofore placed myself at the President's disposal for anything I could do for him within the scope of my abilities.

I thank you, gentlemen. [Applause.]

The PRESIDENT.—The Chair now appoints Mr. ENGLAND, of Baltimore, to escort to the platform our new Second Vice-President, Hon. WM. HARRIS DOUGLAS.

Mr. ENGLAND accordingly escorted Mr. DOUGLAS to the platform.

Mr. DOUGLAS.—Gentlemen, I desire to thank the National Board of Trade most sincerely and to express my appreciation for the honor they have conferred upon me for the second time.

I am one of those who thoroughly believe that it is the duty of every citizen of this country to take an active part, so far as lies within his power, in the administration of affairs of State, and if he is not able to hold office, the next best thing a man can do is to encourage National organizations such as this.

While at times we may be discouraged and think that the seeds we plant do not grow into vigorous trees, yet I do believe that we are not right in that, yielding to that feeling, but that what we do at these meetings does contribute very largely and very materially to the advancement of the Government along those proper and honest lines which all American citizens should advocate. [Applause.]

I am very glad to know that this Board is going to start on a new era, and that we have determined that, so far as lies within our power, we propose to extend the influence and the power of this organization. Exactly along which lines or what paths we shall have to walk in order to accomplish those desirable purposes I cannot say, but we have appointed an able committee, and I am satisfied that they will give us an able report. So that all we need do, then, is to stand back of them to see that we increase and extend our membership and our influence.

I am a firm believer that in the years to come we shall all be able to look back with pleasure and satisfaction to the meetings we have had here.

I know that you will all appreciate the fact that we owe our President a debt of great gratitude for the efforts he has made in our behalf, often without that encouragement

which we might have given him if we had known he desired it, or if we had been present with him to extend it, for surely he has done everything within his power to make this organization what we all expect and desire. [Applause.]

Personally, I would simply state that the men here present know that I have evinced an earnest desire to help the organization, as evidenced by the fact that I have attended these meetings regularly for the past six years. I like to work in the ranks. I like to mix with the boys and know what is going on, and take that part which we all should take. I have no sympathy with those who are on committees and shirk their duties. Of course, the gentlemen here this morning do not shirk their duties, but in many cases men come here and do not give their time and attention to their duties as they should. I hope that this little suggestion thus thrown out may attract their attention, so that when we meet next year every man named by the Chair as a member of a committee will know that the President expects him to do his duty by this organization and to attend our meetings and take part in their deliberations.

I thank you again for your attention. [Applause.]

The PRESIDENT.—The Chair now appoints Hon. GEORGE F. STONE, of Chicago, to escort our newly elected Treasurer to the platform. His name is WILLIAM R. TUCKER. [Applause.]

Mr. TUCKER has concluded not to be your Secretary again. His business affairs have increased and his duties at his home are such that he cannot give time any longer for the performance of the duties as Secretary, but he has kindly consented to continue to be your Treasurer.

Mr. STONE.—Mr. President and gentlemen, it affords me very great pleasure to introduce to you your newly elected Treasurer and at the same time to express my and your highest appreciation of the services that Mr. TUCKER has rendered to the National Board of Trade through so many years. All of us who have known him so long are not unmindful of his peculiar, special and exceptional qualifications to fill such an office and we are also glad to recognize the

invaluable services he has performed, not only for this Board, but in behalf of the varied interests throughout the country which the National Board of Trade through a long series of years has sought to further. Gentlemen. I cannot exaggerate, even were I so disposed, my appreciation of Mr. TUCKER's many qualifications for the position of Treasurer of this association, but I desire to repeat my own appreciation of the service he has already rendered to the National Board of Trade. That service has been not only ably performed, but most courteously rendered, and such courtesy, I am very glad to say, has been a very natural manifestation of Mr. TUCKER's qualifications; they have been—

As effortless as violets
In woodland nooks opening to the blue.

Mr. TUCKER.—Mr. President, I am certainly under extreme embarrassment after having received such a beautiful presentation to you as can be made, I believe, by but one man in this assembly, and that is Mr. GEORGE F. STONE, of Chicago. [Applause.] I can well remember Mr. STONE's most beautiful, expressive and touching eulogy as to the services of the gentleman whom I succeeded—Mr. HAMILTON ANDREWS HILL—and should be glad indeed, if time permitted, to read those expressions for the benefit of the delegates who never read them, or, if they have read them, have forgotten them.

I certainly appreciate his kind expressions, coming, as they do, from a man who knows whereof he speaks. There is no man here who knows him but knows his good work in the advancement of the commercial interests of his section of the country, his love of civic duty and his admirable and intelligent way of carrying out that love. All who know him will agree with what I have said.

Now, one word for myself. On the death of HAMILTON ANDREWS HILL, which occurred suddenly in Boston in the spring of 1895, I was called upon by the Hon. FREDERICK FRALEY, so long your President, to perform the duties of the office of Secretary, which I have endeavored to perform in a way that seems to have met with the commendation of a man whose good opinion I certainly appreciate. I do not,

however, feel like longer continuing in the performance of the arduous work of Secretary of this Board. Those duties alone might not be considered arduous, but, as you know, I am associated with other organizations in Philadelphia, and I think that justice, not only to those associations, but to this association, as well as to myself, requires that I shall now lay down that portion of my work and retire in favor of one who can give his entire attention to the duties of the office, because I feel, after hearing the admirable remarks of Mr. DOUGLAS, that this Board deserves the attention of one who can give his entire time to the work that is laid out for the future.

I thank you kindly indeed, gentlemen, for your generous expressions, and I cannot tell Mr. STONE how much I thank him, because he knows how highly I regard him. [Great applause.]

Mr. FERNLEY, of Philadelphia.—Mr. President, while you have so near you the Vice-President, I ask that you delegate one of them to occupy the Chair. I have a few remarks to make which may be more properly heard and considered when some one else is in the Chair.

Vice-President WHITE took the Chair.

Mr. FERNLEY.—Mr. Chairman, I have not the eloquence of Mr. STONE, but I want to offer a resolution in commendation of the excellent service rendered the National Board of Trade by Mr. FRANK D. LA LAMME, your President. [Applause.]

I come from the class known throughout the country as commercial men. Some of you do not know me in that connection; my face is not as familiar to you as I should like it to be. But I am Secretary of the National Hardware Association of the United States, which is composed of 216 of the principal hardware jobbers of the country, doing a business, approximately, of \$300,000,000 per annum; I am Secretary of the Hardware Merchants' and Manufacturers' Association of Philadelphia, which is a large commercial organization in that city; I am Secretary of the

Affiliated Association of Presidents and Secretaries of Commercial and Trade Organizations, taking in some of the principal chambers of commerce and boards of trade throughout the country; I have the honor to be the Advising Secretary of the National Wrought Pipe and Building Association, an organization composed of dealers who do a business, approximately, of \$200,000,000 per annum; I occupy the same position with the National Jobbers of Plumbing Supplies, which is a National organization doing a business of about \$175,000,000 per annum; I am also Secretary of the Philadelphia Association of Wholesale Dealers in House Furnishing Goods, of the credit branch of the Philadelphia Plumbing Supply Club, of the credit branch of the Metal Dealers' Supply Association of Philadelphia, I am the adviser of the Leather Belting Club of America. I forget the rest. [Laughter.] I am also willing to take anything else that comes my way. Oh, yes, I forgot the National Supply and Machinery Dealers' Association.

I assure you, gentlemen, that it is with great regret that I learn of the resignation of my esteemed friend, Mr. TUCKER. I hate to hear of a secretary resigning anything. [Laughter.] But in my capacity as Secretary of these various organizations I do come in contact with many men engaged in the commerce of this country, many of whom are personal friends of our esteemed President, and, therefore, I know of the respect in which he is held and the prestige he has given this organization as its President. I therefore move that the thanks of the National Board of Trade be and they are hereby tendered to Mr. FRANK D. LA LANNE, who has for the five years past been President of this association and who has so unsparingly given his time, talents and means toward the furtherance of the interests of this organization.

Mr. FURLONG, of Philadelphia.—Mr. Chairman, I really feel envious of the gentleman who has just made this motion, because he took the words out of my mouth. So while I cannot be the mover of the resolution, I wish heartily to second it.

I want to say that I have never attended any convention or meeting of this nature—and I have attended quite a few—where the business was so expeditiously transacted and where the presiding officer has in every way exhibited such unfailing tact, kindness and thoughtfulness; and so I desire to second the resolution offered by Mr. FERNLEY, of Philadelphia.

The PRESIDING OFFICER.—Gentlemen, you have heard the resolution offered by Mr. FERNLEY. (Putting the question.) Mr. President, I am happy to inform you that it is a unanimous vote.

The PRESIDENT.—Thank you.

President LA LANNE resumed the Chair.

BANKING AND CURRENCY.

The PRESIDENT.—The Chair recognizes Mr. TRUESDELL to make a report on Banking and Currency.

Mr. TRUESDELL.—Mr. President, and gentlemen, the Committee on Banking and Currency thought it best to defer their report until after the meeting of the Monetary Conference of yesterday, believing that the Monetary Conference, under the auspices of the National Board of Trade, in its action would indicate the position that should be taken by this organization on that important question. The meeting held this morning was unfortunately attended by but five members of the committee, who are, so far as we know, present in the city at this time, some of the members having already returned to their homes.

We have adopted the resolutions that were adopted yesterday at the National Monetary Conference, which I will read, if that be the wish of the convention; but as they are all familiar to you, and as our time is valuable this morning, I will not read them unless requested to do so.

Mr. LOGAN, of Pittsburg.—As I understand, these are the resolutions that were read yesterday by Mr. WARBURG?

The PRESIDENT.—They were read by Mr. WARBURG.

Mr. TRUESDELL.—If there is no request to read them, I submit the resolutions as adopted yesterday, and move their adoption now by the Board.

The PRESIDENT.—Gentlemen, the report offered by Mr. TRUESDELL is the report of the Monetary Conference adopted yesterday, as the Chair understands. Is not that true, Mr. TRUESDELL?

Mr. TRUESDELL.—No, it is the report of our Committee on Banking and Currency to the National Board of Trade.

The PRESIDENT.—This is the report of the Committee on Banking and Currency to the National Board of Trade.

Mr. TRUESDELL.—The report adopted yesterday was by an independent organization.

The PRESIDENT.—So the Chair understands. This report is based upon the report adopted yesterday?

Mr. TRUESDELL.—We have adopted the resolutions as adopted by the Monetary Conference yesterday.

The PRESIDENT.—Mr. TRUESDELL reports the resolutions adopted yesterday by the Monetary Conference, and he presents those resolutions to the National Board of Trade this morning for adoption or rejection. You have heard the resolutions, or you all know them. Was it decided not to read them?

Mr. TRUESDELL.—No one called for the reading.

Mr. E. R. WOOD, of Philadelphia.—Mr. President, I was a member of that committee, and do not want to take the time of the Board unnecessarily, because I assume that there are other delegates here who will want to discuss the question.

I would like to see this Board act in a national sense, not in a provincial manner. This was borne in upon me yesterday at the Monetary Conference by gentlemen from certain sections of the country who appeared to sit with us, and we listened to their remarks. It was a brilliant affair, and I felt as if we were working in the temple of

high finance and that the high priests were well instructed in their parts. But I do not feel that that conference represented the country.

One of the gentlemen present, certainly not beyond middle age, said that he had studied this question and felt sure that the conclusion which had been united upon by so many classes of people was correct. He said the bankers had united in approving this proposition, the legislators had united in approving it, and the business men had united in approving it. One might have supposed he was speaking of the entire United States, whereas the truth was he was speaking only for New York. A principle or proposition may very well, as you know, be practically unanimously accepted in the city of New York, and yet not be found at all applicable or acceptable by the rest of the country. Whether the National Board of Trade wants to write itself down like Dogberry's constable is a question for the Board to decide.

I urged the committee to state simply the fact that they had attended the meeting yesterday, the discussions of which had been ably conducted, and that the committee had framed certain resolutions which the National Board of Trade thought were a valuable contribution to the monetary subject and therefore embodied in its report. But the form in which the committee has now presented its report, if accepted by the Board, makes this Board responsible for it as its own opinion. I simply protest.

Mr. WELDING RING, of New York.—I do not know that I have very much to say in reply to Mr. WOOD. This question was very fully and ably discussed yesterday, and I think the arguments of Mr. VREELAND fully answered all the arguments of Mr. ACKER and convinced practically every person that Mr. ACKER's views were incorrect and that the views expressed by the committee were proper, particularly as they were in accord with those embodied in the report of Senator Aldrich.

Mr. WOOD says that it only means New York. I differ with him there, because we had nine communications,

seven of which indorsed these principles, and only one of them was from New York, the others being from the West.

I believe that the sentiment in favor of a central reserve association, or a central bank of deposit—call it what you please, it makes no difference so far as the name goes—is a growing sentiment, and that in the very near future we shall have something embodied in our laws that will aid us materially hereafter. Nothing has so crystallized as this central reserve association idea. Everything else that has been discussed has died out. If we want to live in the past, not advance, not be up with the times, we may yet go through the same experience again that we had in 1907. I think that the National Board of Trade should put forth ideas that will lead the country. We do not want to follow until things are accepted, and then simply indorse, but we want to lead. We want others to indorse our action. That is my view.

I hope that the resolution as presented by Mr. TRUESDELL this morning, indorsing the action taken by the Monetary Convention yesterday, will be approved by this Board. [Applause.]

Mr. F. L. HITCHCOCK, of Scranton.—Mr. President, I want to say that it seems to me that our action in adopting this report will be just and consistent, and not otherwise.

The monetary conference of yesterday was a subsidiary body to this association, appointing its own committee, and upon that committee I think were nearly all the members of the Finance Committee of this body. That committee met and thrashed out its work of formulating this report, in connection with some other gentlemen who came in, men I think of great ability. I never met in my life a body of men who, to my mind, were more able than the delegates to the Monetary Conference of yesterday. To this I must make one exception; there was one gentleman who was not in favor of this plan because it was premature, and there was one feature he could not approve.

In answer to Mr. WOOD I want to say, as regards this being a New York proposition, it is really, with one or two

alterations, the product of two or three bodies in New York. In our own association in Scranton I have the honor to be the chairman of its Committee on Finance, and we have been at work on this subject for something like a year. At our first meeting, having before us a lot of literature on the subject, it did not seem possible that we could get together on any proposition. There were present the cashiers of five of our national banks and of two of our State banks, besides myself. At first it was extremely hard to agree upon anything. But after two months' careful study our committee came down practically to just what we have here to-day. We did not go into details as the New York associations did, but we have practically recommended that same thing.

Personally, I want to say that at first I was utterly opposed to a central bank of any kind. It did not seem to me to be practical at all. One of our strongest opponents, however, came and said that after studying this thing he had come to the conclusion that we must have some kind of a central association. He wanted a clearing house. Really, it does not make any difference what you call it.

This proposition simply calls for a central bank organization. Senator Aldrich says a central association or reserve association. They all mean the same thing.

I thought it a singular coincidence that after all this discussion of the question our committee should have reached the same ground as taken by the gentleman who spoke yesterday and which was announced by Secretary of the Treasury MacVeagh at the banquet last night. The work of the Monetary Conference has really relieved our committee of a great deal of work, because we have had the benefit of their advice, and we were there and took full part in the discussion.

Mr. HOWELL E. ENGLAND, of Wilmington, Del.—Mr. President, I want to say in this connection that the Wilmington Board of Trade has had this matter gone over very thoroughly by Mr. JOHN S. ROSSELL, who is one of our best bankers. We came down here with his report

feeling some trepidation as to whether we could have it adopted; but when we met with the committee and went over these matters it was with exceeding gratification that we found that we had practically the New York idea and found ourselves absolutely in line with it. So it gave us very great gratification to subscribe our names to that report in such good company.

The question was called for.

The PRESIDENT.—Are you ready for the question?

The report of the committee was adopted.

DEATH OF HONORABLE W. W. FOULKROD AND MR. HENRY R. WHITMORE.

The PRESIDENT.—Mr. FERNLEY has a motion of privilege, which the Chair thinks the floor will grant. He rises to that question, which will take only a moment.

Mr. FERNLEY, of Philadelphia.—Mr. President, I desire to present the following:—

WHEREAS, Since the last meeting of the National Board of Trade we have lost by death one of our most valued members, the Hon. W. W. FOULKROD, member of Congress from the city of Philadelphia, and at one time President of the Philadelphia Chamber of Commerce; and

WHEREAS, Mr. FOULKROD took an active part in the development and the work of the National Board of Trade; it is therefore

Resolved, That the National Board of Trade offers its sympathy to his family and to the Philadelphia Chamber of Commerce; and it is further

Resolved, That the National Board of Trade feels that this record should be spread upon the minutes and a copy of same ordered sent to his family.

I ask for the adoption of this tribute.

The PRESIDENT.—Gentlemen, you have heard the tribute offered by Mr. FERNLEY on the death of our dear friend Congressman FOULKROD. Congressman FOULKROD was one of our staunch supporters, a delegate to the conven-

tion for many, many years, and a man whose whole soul was imbued with a desire to help his city and his country, and his death is an irreparable loss to the whole country.

The resolution was unanimously adopted.

DEATH OF HENRY R. WHITMORE.

Mr. MAXWELL, of Chicago.—I was very much shocked, Mr. President, on my return to my club on Wednesday evening, when I happened to pick up from the table in the reading room of the Cosmos Club a copy of the St. Louis "Globe-Democrat" of Monday morning, January 16th, and read of the death, under very sad circumstances, of a gentleman who was some years ago quite an active member of this organization—Mr. Henry R. Whitmore, for many years connected with the Merchants' Exchange of St. Louis and with this body, but who for the last few years has had poor health and for that reason, I take it, has not recently attended these meetings.

The PRESIDENT.—The Chair calls Mr. MAXWELL's attention to the fact that the Merchants' Exchange of St. Louis is not a member of this body.

Mr. MAXWELL.—But I wish to refer to the peculiarly personal relations with our work that Mr. WHITMORE had.

The PRESIDENT.—The Chair will rule in order any personal reference to the death of an old and active member.

Mr. MAXWELL.—It is a personal matter entirely. Mr. Whitmore has not been actively connected with the Merchants' Exchange of St. Louis for some years. His connection with this body was brought close to me because it was from him that I first received a copy of the proceedings of this organization, which contained its report with reference to National storage reservoirs and the reclamation of the arid lands of the West. I have that volume now in my library, with his autograph, which he gave me at Wichita, Kan.,

when the Trans-Mississippi Congress was in session at that place, and for that reason I have a feeling of great affection for Mr. Whitmore in connection with this organization.

So I move, as a personal matter, that a resolution may be adopted with regard to Mr. Whitmore, as follows:—

WHEREAS, Mr. HENRY R. WHITMORE, of St. Louis, whose death occurred on the 15th instant, was for some years and until failing health intervened, one of the active members of this Board, and was, more especially, deeply interested in the advancement of the National irrigation and forestry policy so successfully advocated by this Board.

Resolved, That the National Board of Trade offers its sympathy to the family of Mr. WHITMORE in their bereavement; and it is further

Resolved, That the National Board of Trade feels that this record should be spread upon the minutes and a copy of same ordered sent to his family.

The motion was agreed to unanimously.

INCREASE OF MEMBERSHIP AND INFLUENCE OF THE NATIONAL BOARD OF TRADE.

Mr. TRUESDELL, of New York.—Mr. President and gentlemen, the Committee of Eleven, appointed at the first day's session of the National Board of Trade to consider any plans that might be submitted to it for the enlargement of the work of the National Board of Trade and increasing its influence, has been able to have but one meeting. At that meeting, lasting two and a half hours, a very able discussion was had as to present conditions and what might possibly be done in the direction of enlarging the work of the National Board of Trade as it now exists. We are at present only able to report progress. But if I may be permitted to add a few words, I think the feeling is common among all our members that the National Board of Trade is failing in the great purpose of being a representative body. We all of us desire that in some way it may be brought about that we shall be known in this country as the representative of the commercial bodies of the whole country

and not of any section. With that largely in mind, the Committee of Eleven adopted the following resolution:—

Resolved, That a sub-committee of five be appointed by the chairman of the committee (the chairman of which shall be the chairman of the committee), to prepare and submit to the full committee within sixty days a plan for its betterment and enlargement, and that the report of this committee to the present convention be one of progress only.

We feel that when the National Board of Trade appointed this Committee of Eleven it was with the intention on the part of the membership to support it in every way possible by suggestions and actions. We feel that we occupy a position of very great responsibility and it is believed that a final report will be made, either to the council or to the Board itself, that will indicate some advance to be made on the part of the National Board of Trade, and for the purpose of accomplishing that advance in some way, on behalf of the Sub-Committee of Five, especially, I wish to ask the gentlemen present and all other members of the National Board of Trade who have any suggestions that they believe will be practicable, to send them to this sub-committee, of which I have the honor to be Chairman, to my address in New York. I will bring those suggestions to the attention of the sub-committee and subsequently to the attention of the Committee of Eleven.

The PRESIDENT.—Mr. TRUESDELL's remarks will be spread upon the record as a report of progress.

Are there any other resolutions to be offered?

Mr. MAXWELL, of Chicago.—Mr. President, I have two motions I desire to submit to the convention, and they are very closely related. One grows out of the report of the Committee on the Extension of Influence of the National Board of Trade. As I understand that report, it is only a progress report. As the convention will adjourn to meet a year hence, it will not be possible to take action upon the report of that committee until the next annual meeting of this organization. It seems to me, Mr. President, that it would be somewhat unfortunate if we should adjourn at

this time with the idea of suspending all operations for a year looking toward the development and growth of the influence and membership of the Board.

I have this morning read with considerable care the Constitution of this organization, and although it is more than probable that amendments may be made which will greatly improve it, I am convinced that this is the psychological moment to endeavor to secure, during the period between now and the next annual meeting, a very large development in its membership and influence without any change whatever of its Constitution being necessary to that end.

For that reason I now move that it is the sense of this meeting that, pending action upon the report of the Committee on the Extension of Influence, everything should be done by the organization and its officers to extend its membership and influence. In other words, that during the coming year we shall be a going concern and as active as may be possible to make it.

Mr. HITCHCOCK, of Scranton.—You do not submit any amendment?

Mr. MAXWELL.—I have not gone into those details, because I suppose they will come before the council.

Mr. HITCHCOCK.—The Committee on Extension of Influence and Membership must make a report within sixty days.

Mr. MAXWELL.—They will make it to the council, and then at the next annual meeting we shall be in full possession of all that is stated in that report to the council and perhaps have the additional advantage of some report or recommendation on the subject from the council itself.

The motion was agreed to.

NEXT ANNUAL MEETING.

Mr. LOGAN, of Pittsburg.—I trust the Chair will permit me to say a word in the direction of what appears to me to be a subject that may perhaps increase the interest of

and attendance at the meetings of the National Board. I do not think there is any doubt about the wisdom of the conclusions presented to the Board at its meetings, but after we have arrived at those conclusions we must back them with the force of numbers and interest in order that the legislators and members of Congress may be induced to promote the subjects that we believe in and have indorsed.

I have, Mr. President, to make a suggestion which I believe would add to the interest of these meetings and think my suggestion should at least meet with a trial, although I understand it has been suggested already that we hold our next convention at some other city than the city of Washington. As I read the rules, the matter of deciding the location of the next annual meeting is in the council, and, I suppose, in the absence of their meeting, in the Board of Managers. But the Board of Managers considered whether it would not be beneficial to the association at least to try holding one annual meeting at some other point.

I want to say to you, Mr. President, that if we proceed on the lines suggested, of selecting another city than Washington, the Chamber of Commerce of Pittsburg will extend to you an invitation to hold your next meeting in Pittsburg at a time, of course, to suit your convenience and wisdom. Pittsburg is a point that can be easily reached by a greater number of lines of travel than Washington; a railroad ride of one night or less brings you to Pittsburg from a great many commercial centres, and it would be a very interesting place for manufacturers and merchants to visit, as we are a great producing centre. We have many things of interest that can be seen by taking a little time from your deliberations.

I make that suggestion, Mr. President, not caring to make any motion. I make the suggestion that the Board of Managers consider the wisdom of holding a meeting at some other point than Washington. [Applause.]

The PRESIDENT.—The Board, of course, feels very much flattered upon receiving this very kind invitation from Col. LOGAN. The matter will be referred to the council.

DIPLOMATIC AND CONSULAR SERVICE.

The PRESIDENT.—The Chair recognizes Hon. WM. HARRIS DOUGLAS, our Second Vice-President.

Mr. DOUGLAS, of New York.—Mr. President and gentlemen, in the absence of Mr. FISH, who is the Chairman of the Committee on Diplomatic and Consular Service, to prepare resolutions to submit to the Board, I have been requested to present for your consideration the following report:—

The importance and value, to our commercial interests, of an efficient and well-equipped Consular Department is yearly becoming more and more pronounced, and we strongly urge upon Congress the necessity of passing such additional legislation as will keep this service at the highest possible standard of usefulness.

We consider political influence should be entirely eliminated in securing the necessary employees for this branch of Government work.

We endorse the recommendations passed last year advocating the opening of special classes in our leading universities for the careful education of young men desiring to enter the diplomatic and consular service, the graduates to be safeguarded by receiving a diploma entitling them to register their names at the State Department, and the Government securing by examination a fair percentage of the men required for the services named from such list; names to be taken in the order of registration.

Resolved, That the National Board of Trade approve the general principles for the improvement of the consular and diplomatic service as stated in H. R. Bill 31,170.

WM. HARRIS DOUGLAS,
G. WALDO SMITH,
LOUIS MULLER.

The members of this National Board of Trade who have attended its meetings many years are thoroughly conversant with the deep interest we have always taken in the consular service. From the start we have realized the necessity and desirability of elevating that service and we have recognized the importance of eliminating, as far as possible, all political preferment and having the merit system recognized by the Government. At various times this Board has passed resolutions approving suggestions made by others, and we have

also advanced arguments and views ourselves on this important subject.

Those who attended the last two sessions will remember that there was considerable discussion with reference to the desirability of the Government using the universities of the country for that purpose to an appreciable extent, and last year we passed a resolution which really embodied the idea that all of the employees in the consular service should be taken, by examination, from the colleges. I have had some considerable correspondence with the State Department during the past year in reference to that important point, in accordance with the privilege conceded to me at the last session of this Board. I will not read that correspondence, but will ask permission to file one or two letters that pertain especially to points of interest which I think the convention will be glad to have placed on record.

I will say, however, that there were two objections which were advanced by the Department, which might preclude the idea we have that all those young men could be taken from the universities, and that was the question of geographical conditions. But I take it that, as in the past, so probably it will be in the future, that the young men in college come from various sections of the country and each State will demand that it should have a fair, pro rata number of young men in that service.

The other objection was this: the Secretary of State seemed to think that if we took all the young men from the colleges that course would embarrass the Department to some extent by reason of the fact that these men, while they would be trained in the Department itself, would not have that educational experience in a commercial way which seem desirable and necessary.

Under these circumstances, and recognizing the wisdom of the objections raised by the State Department, you will notice that in the resolution we present this year we have said that we hoped that the State Department would take a fair percentage of young men from the colleges. To that extent the Department is willing to go, and the universities

that have been communicated with are now establishing educational departments which will enable young men having the ambition to enter the diplomatic and consular service to register their names for that purpose.

Of course, this matter is now at the option of the State Department, but they recognize the value of our suggestions, and I make this explanation so that the members will recognize the difference between our resolution of last year and the one we submit this year.

The reason we ask the approval of the general principles of the bill H. R. 31,170 is that Mr. LA LANNE, our President, has read to this Board at the opening of our first session a letter from Mr. Knox, in which Mr. Knox suggests that a bill was introduced by Mr. Lowden for the further improvement of the service. That bill is very short, but unless requested to do so, I will not read it. I move that we indorse the general principles of that bill without further remark. It simply provides for examinations by the Department of those who wish to enter the diplomatic and consular service.

It proposes to increase the salaries of some of the consuls, according to grade, and it further provides that the Department of State, at such times as may be agreeable to the Department, should recommend to the President for appointment and for promotion from the different grades of subordinate employees up to consul.

The only reason why we did not make the indorsement more positive than by way of indorsing general principles was because of the fact that it was noticeable in all the Government Departments that while they themselves do not always like the political element in appointments and decry the fact that politicians should enter into matters of this kind, yet the Departments themselves always seem to think that if members of the House and the Senate be deprived of the advantage of recommending these appointments, the Departments themselves will be free and clear to act on the merit system alone. That is one of the fallacies of human nature. It is just possible that the head of the Department may be free from such prejudices, may

be a man who will rigidly adhere to the merit system, but if we place in the hands of the Department the privilege of making these appointments, even under the merit system, it will be very easy to appoint whoever certain Congressmen or Senators may desire to have advanced—just as easy as if the matter rested with Congress.

I make that explanation to show why we only indorse the general principles of the bill.

Mr. Wilbur J. Carr in his very able address last night referred to this bill as an improvement, and I think it is.

Unless some gentleman would like to ask questions or desire to speak on the subject, I should like to move the adoption of the resolution as read.

Mr. HITCHCOCK, of Scranton.—I want to say just a word on this subject. I have had the honor to be on this committee a number of times in years gone by and we have in our reports always had in view the improvement of the diplomatic and consular service.

An instance occurred within my knowledge last year which brought home to me more closely than ever before the importance of the improvement of this branch of our service. A prominent gentleman of our city traveled last year in Europe with his wife and daughter. In one of the large cities of the continent he was taken suddenly ill and died, leaving a widow and daughter in great trouble suddenly and unexpectedly in a distant land, far from home and friends. They sent word to the American consul in regard to their situation and received no attention whatever from him. But the British consul, without being called upon at all, was prompt to come to their rescue and took the whole situation in hand and helped these ladies out of their great distress and trouble and was of inestimable service. They felt greatly humiliated because the American consul paid no attention whatever to them. How important it is, gentlemen, that we should have such service, if possible, as the British service! Here came the British consul at once and rendered these ladies every possible assistance. He did everything and the American consul did absolutely nothing.

The PRESIDENT.—Of course, that is a sporadic instance, one that does not often occur. I know this, because I have traveled on the continent a good deal during past years and have been impressed by the increase in efficiency and ability of our American consuls, ever since that Consular Reform Convention in which Mr. Root took such an active part. The men who have been sent abroad have been men of a better class and have better represented the business interests of the country. It is also true that there have been instances where Great Britain has had drunken and miserable consuls. That fact was brought to my mind two or three years ago in an important capital of Europe where I received very careful attention. At the time I was representing the United States Government on a mission. I received, as I say, very careful attention from our American consul there, who was a new man in the position, and one of the most honorable and forceful business men I have ever met. He took me to see and introduced me to the consuls in three or four other cities in order to show me the manner of men we were represented by and he took me to an afternoon affair at the British consul's house, where that British consul got royally drunk, so that I could not avoid contrasting the difference between the British consul and the American consul, with his dignified and splendid life and conduct and energy.

I suppose all nations are sometimes unfortunate enough to be represented by bad consuls, but I do believe that the increase in efficiency of our American consular service is largely due to the efforts of this National Board of Trade. I always like to defend my country as much as I can whenever and wherever I can. [Applause.]

Mr. HITCHCOCK.—The instance I mentioned occurred in the city of Venice.

The PRESIDENT.—How long ago?

Mr. HITCHCOCK.—This last summer.

I knew that gentleman quite well. He gave me a dinner and loaned me his gondola to carry me around the city.

The PRESIDENT.—That ought to have been reported to the State Department. Gentlemen, are you ready for the question?

The report of the committee was adopted.

FORESTRY, IRRIGATION AND CONSERVATION OF NATURAL RESOURCES.

The PRESIDENT.—Mr. MITCHELL, of Washington, desires to present a report on forestry and irrigation.

Mr. MITCHELL.—Mr. President and gentlemen, in the absence of Mr. HARVEY, Chairman of the Committee on Forestry, Irrigation and the Conservation of Natural Resources, I should like to read the report in full, as it covers a number of important subject on which the National Board of Trade has placed itself on record for several years. My report may be considered partly as only in the nature of reporting progress, but it also takes up some new phases of old policies:—

PRACTICAL WORK IN FORESTRY.

The aggressive work of the Forest Service in promoting the science of Forestry in the United States and in wisely administering the 192,900,000 acres of National Forests, is deserving of high commendation. During the exceptionally dry season of 1910 the Service was called upon to fight, in co-operation with State and other organizations, over 5,000 fires in the National Forests, at a cost of more than one million dollars; but the effective and heroic service rendered, in which 76 employees of the bureau lost their lives undoubtedly saved the lives of many hundreds if not thousands of people and saved hundreds of millions of dollars in property from destruction, including entire towns.

The National Forests contain over 500,000,000,000 feet of merchantable timber, demand for which is largely undeveloped. This great future supply must be safeguarded. There was cut and sold last year over 350,000,000 feet, which returned to the Government more than \$1,000,000. To facilitate forest management and fire protection the Forest Service last year built 320 miles of roads, 2,225 miles of trails and 1,888 miles of telephone lines, 181 miles of fire line and 65 bridges. Its control of grazing in the National Forests involves ap-

proximately 1,500,000 horses and cattle and 8,000,000 sheep with a gross output of not less than \$25,000,000 annually.

The Service is not only administering the National Forests in such manner as to insure future forest crops and aforesting and reforesting the reserved areas, but it is using every endeavor to stimulate a like practice in State and privately owned forests throughout the country. Many of the States and many lumber corporations, and also pulp and papermakers have in recent years instituted similar forestry and tree-planting practices.

ACTIVE WORK IN IRRIGATION CONSTRUCTION.

In view of the fact that the National Board of Trade was the first National commercial organization to pass resolutions unequivocally endorsing the National Irrigation Bill, which later became the present law, a brief statement of the status to-day of the Government irrigation accomplishments by the Reclamation Service may be well in order.

The activities of the Reclamation Service to June 30, 1910, has been extended to some 26 projects, covering an expenditure of approximately \$59,000,000. In the eight years of its work, the Service has built 5,333 miles of canals, many of which carry whole rivers.

It has excavated 18 miles of tunnels.

It has completed three of the highest dams in the world. Its excavations of rock and earth amount to the enormous total of 66,122,000 cubic yards.

Its roads have a total length of 460 miles; telephones, 1,319 miles; levees, 75 miles.

It has purchased 1,153,878 barrels of cement, and has manufactured in its own mill 340,000 barrels.

The gross value of crops produced on the lands irrigated by the Government projects in 1910 was \$20,000,000. As a result of the work of the Government it is estimated that land values have increased more than \$105,800,000.

Approximately 14,000 families are now residing on farms which are being watered by the Government canals. Not less than 25,000 people have been added to the population of the cities, towns and villages, as a direct result of the Government work.

Last year the National Board of Trade's resolutions advocated a \$30,000,000 bond issue to extend irrigation construction, and it may be noted with satisfaction that \$20,000,000 was so authorized by Congress.

CONSERVATION ACCOMPLISHMENTS.

In practical work in conservation and in aid of proposed conservation legislation, important work is being carried out in the adminis-

tration of the public lands. There now stands withdrawn on the examination and recommendation of the Geological Survey, and pending proposed legislation along conservation lines, 4,469,339 acres of petroleum land; 1,423,561 acres withdrawn to protect waterpower sites; 2,514,195 acres of phosphate land. Of coal land, 81,449,223 acres stand withdrawn pending classification and valuation by the Geological Survey, and 14,682,839 acres have already been appraised as coal land at a given value of \$625,944,830, which, under the former system of selling at the minimum price allowed by law, would have had a value of only \$212,920,014, a difference of over \$400,000,000. A total area of 33,998,199 acres included in the coal land withdrawals has been classified as non-coal land and restored to entry.

LEASING OF DEPOSITS OF PETROLEUM AND PHOSPHATE ON THE PUBLIC LANDS AND OF THE COAL LANDS OF ALASKA.

The Government yet retains title to 4,487,819 acres of known petroleum lands, and to 2,514,195 acres of known phosphate lands in the United States, exclusive of Alaska. The lands containing these immensely valuable resources are now withdrawn from all entry in aid of proposed legislation by Congress.

Petroleum land has, heretofore, been necessarily acquired under the gold placer law, an entirely inadequate statute, for since oil is mobile, flowing subterraneously from one property to another, the result has been a reckless haste and waste in production of a not inexhaustible resource. Your committee believes that a leasing law for the public oil deposits would result in conservative development, with a minimum of waste. Since the Navy is installing oil burners in its modern vessels it would seem the course of wisdom for the Government to retain title to and control of its oil deposits.

Phosphorus is one of the three essential elements of plant growth. Without it no plant can live. The principal source for fertilizer is phosphate rock, of which the world supply is comparatively limited, although the deposits on the public lands are the largest in the United States. In connection with the constant decrease in the fertility in our farm lands, due to export of agricultural products and waste in sewage, the loss of phosphorous is the greatest factor and it is believed that American farmers will require every ton of phosphate which America can produce. At present fully one-third of our output is imported to enrich the worn-out lands of Europe, our agricultural competitors. Your committee believes that phosphate conservation is one of the vital questions of the day, and that the Government should retain title to every acre of its phosphate land and provide for their development through leasehold, thus enabling the Government to prohibit exportation of the phosphate thus mined, of the fertilizer of which it is a constituent.

NEED OF ALASKAN COAL LEGISLATION.

The development of Alaska is retrogressing, notwithstanding the enormous latent mineral resources of the great Territory, which has even thus far proved a treasure-house to the American nation. This retrogression lies in the fact that there is no present provision for coal development, in spite of the estimated 16 billion tons of high-grade mineable coal and of the many other widely distributed deposits, with an aggregate enormous tonnage. The Alaskan coal situation presents the curious anomaly of—fuel, everywhere, but not a ton to burn. The development of the Territory's fuel deposits would double, if not quickly quadruple the present population, promote transportation construction and the development of the 20,000,000 or more acres of agricultural lands, decrease the cost of living in the Territory and enormously increase the output of precious metals, through the opening up of the low-grade ores which cannot be now be mined with profit. Coal is now imported into Alaska at a cost of \$15 to \$18 a ton, whereas it can be profitably mined for a small percentage of this. The Coast States are also badly in need of high-grade Alaskan anthracite and bituminous coals which compare favorably with the best Pennsylvania and West Virginia products. Congress is considering various phases of Alaskan coal legislation, including a leasing bill and it is the belief of your committee that the coal deposits of Alaska should be leased by the Government, which now owns all the coal lands, on short-term leases and upon such a liberal basis as to promote the greatest possible development, consistent with the least waste in production. It may be remarked that Government leasing is proving most satisfactory in the Oklahoma Indian coal lands, while leasing of private coal lands is common practice.

LEASING THE PUBLIC COAL LANDS.

The coal deposits of the United States, of which about 75,000,000 acres are on public lands, are now being classified and valued on the tonnage basis, the valuations running up to and above \$400 an acre, as against the former minimum price fixed by the coal land law of \$10 or \$20 an acre according to their proximity to transportation lines. Your committee believes that a leasing system with short-term leases for these lands, under which the Government would retain title thereto, would be preferable to the present method of administration, and strongly urges the enactment of appropriate legislation. Coal land sales are at present considerable and are increasing, and it should be noted that the proceeds are placed to the credit of the "Reclamation Fund" for the irrigation of the Government lands. Should a leasing system be provided by Congress for the coal lands of the United States, it should be seen to that the proceeds, over and

above expense of operation, continue to be placed to the credit of the Reclamation Fund.

WATER POWER DEVELOPMENT.

There is urgent need of comprehensive legislation which will insure the development of water power properties on the public domain and in National forests, and at the same time protect the interests of the people. The effect of the forest cover upon stream flow and, therefore, water power, throughout the entire country is fully recognized and it should be kept in mind that the development of this great natural resource, water power, which in turn tends to conserve fuel resources, is in large measure intimately dependent upon adequate forest protection.

The present developed hydro-electric horsepower in the United States is less than 6,000,000, and it is estimated by the Geological Survey that throughout the United States at least 37,000,000 of hydro-electric horsepower can be developed besides nearly 200,000,000 more that may become available through reservoiring in the future as the cost of fuel increases. The economic advantage of the development of these water powers is very great, not only to the manufacturers of the United States, but to the entire laboring class, the saving in the cost of horsepower reducing the cost of producing our manufactures thereby enabling us to maintain the higher level of wages and still compete with other countries where the cost of labor is low.

It is, therefore, of the utmost importance that the Federal and State governments bend every effort to conserve our water resources by the protection of the head-waters of streams through forestry and reservoiring measures, and as a first step they should acquire and preserve the mountain forest lands in which the streams find their sources.

WM. S. HARVEY, *Chairman.*

RESOLUTIONS.

Resolved, That the National Board of Trade reaffirms its appeal to the patriotic sentiment of all the people in all the States to use their personal influence and efforts on behalf of all National and State legislation that will help conserve the natural resources, forests, waterways, soil, coal, phosphate, oil and natural gas, so that they shall be administered as a sacred trust for all the people, but in a manner to insure their full present utilization with a maximum of efficiency and a minimum of waste;

Resolved, That the title to the several million acres of public petroleum and phosphate lands should remain in the National Government and that their development should be encouraged under a

leasing system which should allow for the fullest possible utilization of these natural resources commensurate with a minimum waste in production.

Resolved, That title to the coal lands of Alaska should remain in the National Government and that their development under a leasing system, with short-term leases, should be encouraged in every way possible by extension of the most liberal terms to operators, both large and small, to insure the development of transportation which will supply the Territory itself with cheap fuel and also the West Coast of the United States.

Resolved, That title to the coal rights of the coal lands of the United States should remain in the National Government, and that their coal development should proceed under a leasing system with short-term leases. Congress is urged to enact appropriate legislation.

Resolved, That the fine showing made by the Reclamation Service since the passage of the National Irrigation Law in 1902, whereby water, heretofore wasted, has been made available for 900,000 acres and 14,000 farm homes have been created from the desert, is deserving of high commendation; and further

Resolved, That the work of the Geological Survey in classifying and valuing the public coal lands, thereby securing to the irrigation fund a largely increased return for these lands as well as the other work of this bureau, and of the administration in conservatively administering the public domain and investigating its mineral resources, meets with the hearty approbation of the National Board of Trade.

Resolved, That the National Board of Trade takes cognizance of the splendid and heroic work done by the men of the Forest Service, as well as those of many States in fighting forest fires during the past season, and urges upon Congress and upon State Legislatures adequate appropriations to provide for future protection of our forests. We commend the excellent work done in the establishment of National and State forest nurseries and in forest planting and urge their rapid extension.

The preservation of the great forested mountain water sheds of the United States and the reforestation of denuded areas are vital to the maintenance of our inland waterways, not only to insure transportation, but to preserve and perpetuate the water powers upon which millions of dollars in manufacturing enterprises now depend; therefore be it

Resolved, That the National Board of Trade heartily commends the policy of creating National forests as a general practice and specifically urges upon Congress the speedy passage of Bill H. R. 11,798, known as the Weeks' Forestry Bill, creating a National Forest in the Appalachian and White Mountain forest areas.

Resolved, That inasmuch as the development of great water storage and power plants tends to conserve our coal resources, regulate floods and advance forestry, and that inasmuch as many such properties in the West come under Federal control by reason of portions of their canals or transmission lines crossing Government lands, Congress is urged to adopt a broad and liberal policy with reference to their regulation; it is further

Resolved, That where water powers occur on Government land the title thereto should remain in the Federal Government, but that laws and regulations should provide for the greatest possible development of this non-expendable resource, insuring maximum efficiency and minimum waste, and with full consideration for the rights of the users of the power.

Resolved, That the collection of Government revenues under all regulations or leases, incident to coal land development, water power development and phosphate and oil development, should be incidental only and subordinate to the protection of the people's interests.

Mr. REYNOLDS, of Scranton.—I move the adoption of that report.

I would like to leave with every member present this one thought: that the conservation of our natural resources does not mean the development of those resources. It does mean greater economy in the use of natural resources, for the benefit of the people of Alaska, for instance, for it is a great injustice to them to be called upon to pay \$15 for a ton of coal that ought to be sold for \$3. At the same time it ought to be emphasized that this Government ought never to part with any title to any coal, oil or mineral lands.

The policy of the Reading Coal and Iron Company in leasing its coal lands has been this: to make short term leases so that the control and operation of its mines can at frequent intervals come into its own hands, so as to insure wise and economic conditions. The Government could well adopt the policy of so able and carefully managed a corporation as the Reading Coal and Iron Company with regard to its mining properties.

The locking up of natural resources in Alaska may be accomplished in two ways: either by a narrow Government policy preventing development, or by imposing upon prospective investors, mining corporations, conditions which will

make it impossible to develop those properties. It is probable that the first term of a lease ought to be for a longer period than the later terms, in order to insure the development of properties, and on account of the great delay following pioneer enterprises in that country.

I take great pleasure in acknowledging the obligation of our committee and every member to Mr. Nash, of the Geological Survey in Washington city for the very full and excellent compilation he has given us. He and other broad-gauge and well-informed men should do what they can to see that these properties are retained as the property of the Government in a position where they can be utilized for the benefit of the people.

Mr. MAXWELL, of Chicago.—Mr. President, I desire to second the motion for the adoption of the resolutions and to add just one word.

I think all who have listened to the reading of this report and these resolutions will recognize the tremendous importance of the new policy, which I trust may be adopted, that conservation, use and development may go hand in hand. [Applause.]

The report of the committee was adopted.

Mr. MAXWELL.—I desire to move that the Committee on Forestry, Irrigation and Conservation be made a standing committee, with instructions to report progress at the next meeting.

The PRESIDENT.—That is a very important matter.

Mr. MAXWELL.—I might say, in that connection, that similar action has been taken with reference to this same committee in past years, but it has to be done by motion each year.

The motion was agreed to.

Mr. MAXWELL.—I desire to move that as soon as practicable 1,000 copies of the report of the Committee on Forestry, Irrigation and Conservation of Natural Resources be

printed, in the form of an advance pamphlet, from the same type used in printing the report of our proceedings.

The motion was adopted unanimously.

MEETING OF COUNCIL.

The PRESIDENT.—Gentlemen, before we adjourn, the Chair desire to announce that a meeting of the council will take place immediately after the adjournment of this body. It will take only a few minutes for it to pass one resolution, but that involves action that must be taken by the council. So the Chair requests each member of the council to remain here for two minutes after we adjourn.

FEDERAL INSPECTION OF GRAIN.

The PRESIDENT.—The Chair recognizes Mr. ENGLAND, of Baltimore.

Mr. ENGLAND.—Mr. President, I have a short resolution from the committee to which was referred the following:—

WHEREAS, There has been again introduced in Congress a bill (S. 121) providing for Federal inspection of grain under the National Government; and

WHEREAS, The passage of any measure seeking to control or change the present method of grain inspection conducted by the commercial exchanges can only result in injury to the grain trade of this country, which has been developed by those having the greatest interest in it; therefore be it

Resolved, That the National Board of Trade in reaffirming its previous action in this connection is unalterably opposed to Federal inspection of grain, believing it will be detrimental to every interest identified with the American grain trade, and will tend to advance the business of foreign grain producing countries, which are seeking every advantage to increase their grain trade by the displacement of American products in the markets of the world.

CHARLES ENGLAND,
S. FRANK HOWARD.

I will say, Mr. President, that that is similar to resolutions which were offered for five successive years, and each time passed by this Board.

There has again been introduced in Congress a bill for the Federal inspection of grain and it was thought that if this Board did not take some action at this session it would be considered to have lost interest or hope in the matter.

I move the adoption of the resolution.

The PRESIDENT.—The Chair is sure that the last time the bill for Federal inspection of grain was before Congress your organization came out most emphatically against the bill, and the Chair was instructed to send a strong committee to meet the Congressional Committee and confer with it. Such a conference was had, the result of which was that the bill was withdrawn. Such is the influence of your Board when it determines to do something.

You have heard the resolution, which is identical with the resolutions passed in former years. Are you ready for the question?

The resolution was adopted unanimously.

RELATION OF COMMERCIAL EXCHANGES TO THE MARKETING OF AGRICULTURAL PRODUCTS.

Mr. STONE, of Chicago.—Mr. President, I desire briefly to explain the reasons that actuated the Chicago Board of Trade presenting this resolution to this Board at this meeting.

You all know that there has been a great deal of discussion in the chambers of commerce and boards of trade of every character during the last three or four years, and that a great deal of criticism has also been directed to these institutions. I do not by any means deprecate the criticism that has been passed upon business methods, upon individual enterprises and upon corporations. They are all accountable to the public; they are all amenable to the laws of the land.

This criticism, however, brings an opportunity for showing the excellencies of these institutions and for insisting that all institutions and all movements having reference to the public welfare should be freely criticised and judged, not by their defects, but by their excellencies.

It is perhaps not necessary, Mr. President, to read a paper that has been prepared by Mr. MERRILL, President of the Chicago Board of Trade, prepared before he was elected President, but on account of his election to the Presidency he was prevented from attending this meeting of the National Board of Trade, and I was requested to read this paper. I do not, however, think it is necessary to occupy the time of this convention by reading the entire document. Perhaps I may be permitted to read it in part and explain the purport of the remainder.

The PRESIDENT.—If Mr. STONE in his best judgment thinks it should be read at this time, the Chair hopes that he will read it; at any rate, that Mr. STONE should at least give us a synopsis of it. Whatever comes from the Chicago Board of Trade must be treated with great respect.

Mr. STONE.—In view of your judgment, Mr. President, I think I will read the paper.

The PRESIDENT.—The Chair thinks that would be well.

Mr. STONE.—In my view, Mr. President, the time has come when the resources of field and mine have become such in the affairs of men that they operate not for one State, not for one community or for one country, but are worldwide. It is highly important to every industry and every branch of business throughout the land that the objects, purposes and action of this National Board of Trade, composed of commercial exchanges, grain exchanges and all such associations, should be fully understood and that there should be a wise discrimination exercised between illegitimate methods of business and those that are legitimate and contribute in a marked degree to the public welfare.

We are learning more than ever before that no man, no business, no association is of any particular consequence

unless it contributes in some way to the public welfare. That is the measure of usefulness of an individual or a corporation. Show me a corporation that does not contribute in some degree to the public welfare and I will present you a potent argument why that organization should no longer exist. Its right to exist depends upon what it can do and what it does perform in behalf of the public welfare.

So I shall avail myself, Mr. President, of your suggestion and read at least a part of this paper, which has been prepared by Mr. President MERRILL.

The PRESIDENT.—Mr. STONE, the Chair will ask you to read that in full, because the Chair appreciates the influence, power and importance of what the Chicago Board of Trade does. It seems to the Chair that not to have the benefit of the paper in full would be treating unfairly the great Chicago Board of Trade, as well as that great city. Therefore we will listen, sir, to what you have to say, with attention and with hearty thanks.

Mr. STONE.—Thank you, Mr. President.

Mr. CARHART, of New York.—May I suggest that at least the paper be allowed to appear and be included in the minutes of the proceedings of this meeting?

The PRESIDENT.—Even if Mr. STONE contents himself with a mere synopsis of the paper, the Chair knows that it will be the judgment of the Board that the whole paper shall go into the record.

Mr. CARHART.—That is what I want.

Mr. STONE.—It is proper to say that Mr. MERRILL has appeared before Congressional committees at various times and has, by the invitation of the Chairman and members of those Congressional committees, performed very great services in enlightening the Government of the United States, the Congress as well as the people throughout the country as to the functions of boards of trade and the importance and vital relations which those functions sustain to the common welfare.

Mr. STONE then read the following paper prepared by Mr. J. C. F. MERRILL, President of the Chicago Board of Trade:

The following resolutions was adopted by the Directors of the Board of Trade of the city of Chicago, to be presented to the National Board of Trade for consideration and action at its annual meeting at the city of Washington, January 17, 18 and 19, A. D. 1911.

WHEREAS, The principal commercial exchanges of the United States are intimately and vitally related to the industrial and financial interests of the entire country; therefore

Resolved, That any impairment of the facilities which they have provided for the rapid and economical marketing of agricultural products in the interest of buyer and seller, producer and consumer alike, and which facilities conduce more than any other agency or instrumentality to the general prosperity, would result in irreparable injury to the common commercial and industrial welfare.

Out of farm products, more than from any other source, comes new wealth and without the creation of new wealth there can be no prosperity of the mass of the people. And the cost of living, be it high or low, depends in a large degree on production by the farmers.

The food necessities of the nation, production, transportation and distribution, are questions involving the general welfare of the whole people and therefore of wide and general interest. Production has steadily increased, but consumption has increased faster; prices in the past decade have ruled higher than ever before in times of peace. Conditions create prices and conditions are constantly changing. The people have much to do with creating conditions, therefore much to do with influencing values.

The estimate of the United States Government of November 10th of this year's production of the principal cereals is: Of wheat, 681,769,000 bushels; of corn, 3,121,381,000 bushels; of oats, 1,096,396,000 bushels, and of barley, rye, buckwheat and flaxseed, an amount sufficient to make a total of 5,131,846,000 bushels. Of the total of the world's production, this is one-fifth of the wheat, half of the corn and a third of the oats.

It may then be easily understood why the American crop is so closely watched by nearly all the world. Adam Smith, in his "Wealth of Nations," says: "If a man goes to market with ten sacks of grain and finds buyers but for nine sacks, the sale of the tenth sack fixes the price of the entire ten." If he goes to market with nine sacks and finds buyers for ten sacks, he fixes the price. Hence, the world is constantly watching to know, if it may, whether the market will have a little surplus or a little deficiency—whether it will have ten sacks or nine.

The surplusage not required on the farm and entering the channels of commerce varies somewhat from year to year, depending largely on the size of the crop, the quantity fed and otherwise used in the locality where produced. Whatever this quantity may be, it is the most important item in the business of the country. This total production of grain—and, in a certain sense, hogs and cattle should be included—is so great as to be almost impossible of comprehension, so stupendous are the figures. It stands as the unquestioned testimony of the intelligent toil and industry of that great bulwark of the material well being of the American people, the American farmer. And what has been here said of our grain crops may also with equal force be said of the production of cotton.

Commercial exchanges and boards of trade came into existence, as all public service agencies have, to supply a common need. Not very long ago in the history of our country each community produced for itself about what it needed. Presently cities and towns began to grow and the local production was unequal to the demand, and new sources of supply had to be found. At the same time the Western prairies were rapidly being turned into farms and their production was far in excess of local requirements. The public need thus arose of means of distributing from the farms the produce required by the centres of population. The railroad was in consequence built. Those wanting to sell and those wanting to buy had need of a common meeting place and the exchange, in obedience to a common necessity, was created.

In a large sense the exchanges are market places, as truly so as are the public squares or other places where farmers meet buyers in every town in the land. The exchanges provide for the impartial enjoyment of business facilities; for the securing of all obtainable information concerning the crops of our own and all foreign competing and purchasing countries, and of existing stocks at home and abroad and of the world's need and the world's possible supply from every source. The principal exchanges spend large sums yearly in procuring every variety of information which may or is likely to affect home values, not for the benefit of the few, but of the many, for the buyer and seller, the producer and consumer alike; and it is instantly furnished to the public free of cost.

Business on the exchanges is commonly in the hands of four distinct classes or departments; (1) the receiving merchants get the grain from the country and sell it; (2) the storage merchants; (3) the shipping merchants, who distribute for consumption; and (4) the speculative and future delivery merchants, through whom are made hedging sales against stocks in store in the terminal markets or stored elsewhere. The receiving merchants are prolific of market information of all kinds forwarded to country dealers in daily letters. The country dealer, being in receipt of this information from competing markets, is in a position to act intelligently as to the highest price he may pay the farmer. The storage merchants perform a highly useful function in the distribution of farm products. Without adequate storage facilities, the excess of receipts over shipments would go a begging.

In those countries where these facilities are not possessed, as in the Argentine Republic and in parts of Russia, much loss has occurred through damage from the elements, even after the product had reached market. This storage provides for accumulation in times of surplus of supplies against periods of small receipts. The shipping merchants are distributors of products in both large and small quantities, and for both domestic and foreign account. Direct wire offers through local selling agents are easily and instantly

obtainable in all parts of this and of foreign countries. But for the activity of members of the exchanges in dissemination of market values through these trade offers, much of the buying and selling would be but groping in the dark, with the inevitable result of the requirement of a much wider margin of profit.

The exchanges are looked to almost alone by the public for reliable information determining grain values. They, more than any other agency, maintain that great incentive to commerce and trade, competition, resulting in the payment to the producers of the highest possible price, and, paradoxical as it may sound, likewise the lowest possible price to the consumer. Competition cuts and lowers the profits of middlemen, as well as being the life of trade. It may be confidently asserted by exchange members that this speedy transmission of trade offers over such a wide area, having a universally beneficial effect, is their own achievement and enterprise.

A prime necessity in fixing values of grain is the classification of it into grades. In the year 1858, for the first time in this or in any country, it was inaugurated by the Chicago Board of Trade. Its practice soon thereafter became general in this country and is gradually being adopted by other countries. It facilitates business in a large degree. By its use transactions may be quickly accomplished by telegraph and cable. The grade represents the quality, leaving the price only to be adjusted.

Of hardly less importance is the department of weighing and supervision, organized for the mutual protection of the shipper and the receiver of farm products. The good offices of this department are extended without partiality to all having an interest in the trade. It notes the conditions of the cars, checks the accuracy of the scales, prevents waste of unloading and co-operates with all handlers of products at shipping points in all possible ways, to the advantage alike of seller and buyer.

The exchanges are making constant efforts to improve methods or to meet requirements of changing conditions. The transaction of business of great volume is ordinarily

accompanied with some minor errors, but in the main the service of the commercial exchanges rendered to the public is of great importance, indeed, is a prime necessity and could not be dispensed with.

That every act of each individual member is always above criticism could not be expected, yet the exchanges maintain a high standard of commercial ethics, and unfair or dishonest practices by members are surely and swiftly punished.

With the growth of cities and with the increased production of farms and ranches, long distances exist between the source of supply and the consumer. This required new agencies to perform the service of distribution, and individuals, firms and corporations, as a result, compete for the trade thus established. Before this development, under early conditions, business was a matter of man dealing with man face to face, and each had a full opportunity to protect his rights, each could look out for himself.

Modern conditions require the service of public agencies; and the new era relative to the moral obligations of public service agencies is that they shall, in rendering such service, be entitled to receive one fair and reasonable profit, and that then they shall become trustees for and protect the rights of the people. This has been popularly called "the square deal." Not to do it has been termed "predatory wealth preying on the people."

This is another question than the one under discussion, but notwithstanding commercial exchanges do not engage in business on their own account, all transactions being by their members for individual account, their prime function being, as I have already said, to bring seller and buyer together, the public seems to regard them as a unit responsible for all the acts of their individual members, and appears also to think that it has the same right to enact laws for their control that it has for the control of agencies performing a service to the public for compensation. I have said this to indicate the attitude of the public in part towards commercial exchanges, because of their having become so large a factor in the distribution of farm products.

Most of the criticisms of the exchanges relates to the buying and selling of products for future delivery. This feature of the exchange is so vitally related to the storing and the distribution of grain and provisions, and is so impossible of elimination from it, that a brief discussion of its need and great value, as well as its abuse, is essential to even a superficial understanding of all the functions of a commercial exchange.

The modern exchange, in the beginning, made provision only for the cash business; that is, for immediate delivery for cash. For a time this method sufficed for the wants of the trade, but as the farms multiplied and the cities grew, and as the milling of wheat, the cribbing of corn and the packing of pork and other interests expanded and increased, the scope of the trade widened and the trade itself became more complex and a broader market was required. Rapidly growing business required that contracts be made for future delivery. The advantage of such forward trading to all concerned was so plain that the exchanges made the needful provisions for such transactions. These contracts, made under the rules of the exchange, are enforceable under those rules and in the courts of law.

From its beginning there has been misapprehension about trading for future delivery. No part of the business of the exchange is so little understood as this. But the farmer does not graduate his selling to just the needs of the consumer; indeed, that would be impossible. He sells when it suits his pleasure to do so. Thus receipts at terminal markets at times are enormously in excess of all requirements. For example, during August last, at Chicago, for several successive days the receipts of oats were a million bushels and more per day, being enormously in excess of daily needs. Without hedging sales for future delivery this vast quantity could not have been marketed, except at great loss to the country shippers.

Hedging contracts are those made for the purpose of eliminating risks, in other words, for the purpose of holding grain without loss. As some one must own the products of the farm from the time the crop is harvested until it is con-

sumed, and as the value of it fluctuates daily, it becomes evident that whoever owns it becomes a speculator. Whether we like it or not, and call it by what name we choose, the element of risk is there and cannot be eliminated. It follows necessarily that the buyer of every hedge becomes a speculator, therefore the need of this distinct class to assume this element of risk, which is present in varying degree in all commerce.

Even the farmer, in a sense, speculates when he risks the value of the use of his land and of his labor and seed, knowing well that the drought of summer or the frost of early autumn may place all at naught. To eliminate risk would produce stagnation; for if the farmer even declined to assume the risk of production, he would cease to raise the necessities of life.

The speculator is a necessity not commonly recognized, to the contrary, more generally he is held as not serving a useful purpose. The abuse of speculation by those not qualified to engage in it has brought the exchanges into more or less disrepute. It is the perversion of a useful thing by an incompetent individual, or one with unwholesome intent and purpose. Many engage in it who should not. Mr. Justice Holmes, of the United States Supreme Court, defines it well in handing down a decision of that high tribunal in a Chicago Board of Trade case before it. He says:—

People will endeavor to forecast the future and to make agreements according to their prophecy. Speculation of this kind by competent men is the self-adjustment of society to the probable. Its value is well known as a means of mitigating catastrophes, equalizing prices and providing for periods of want. It is true that the success of the strong induces imitation by the weak, and that incompetent persons bring themselves to ruin by speculating in their turn.

But legislatures and courts generally have recognized that the natural evolutions of a complex society are to be touched with a very cautious hand, and that such coarse attempts at a remedy for the waste incidental to every social function as a simple prohibition and laws to stop its being are harmful and vain. Speculation is the struggle of well equipped intelligence with the blind power of chance.

I have sometimes stated it more simply by saying, "Speculation is based on calculation; gambling is based on chance."

The man who carefully calculates from all known conditions the value of any farm product is rightly called a speculator and renders a service in helping to carry the surplus quantities from time of production to time of need. On the contrary, the individual who blindly invests in any commodity without a well-defined conception of its value, thereby depending on blind chance, is truly a gambler. He usually suffers loss and invites criticism of the exchanges. No one seeks to justify or defend this type of speculation.

Any attempt to manipulate prices cannot and does not nullify the law of supply and demand. It may suspend it locally for a time, but usually with disastrous results to those who attempt it. The law of supply and demand is supreme. The speculator who governs his actions in accordance with it reaps a profit; he who ignores it suffers loss.

It must be borne in mind that what we term speculation is not possible with all products. We meet with it only in those commodities produced in large quantities, for which there is a world demand and such as are not susceptible to deterioration, when properly cared for, by holding them in store. Commodities of this kind accumulate rapidly when harvest is over and the carrying of them devolves upon some one; thus they become subject to investment buying or speculation.

With the exception of potatoes, which are perishable, and hay, which is of great bulk, and therefore do not lend themselves to speculative trading in a general way, the only important agricultural products, the price of which is not controlled by a trust, are those dealt in for future delivery on the exchanges. The United States Government has now under indictment certain prominent men for maintaining a beef trust. These same men are large packers of hog products, yet nobody has ever heard it claimed that there is a trust in hog products. These products are heavily traded in for future delivery, thus placing them secure against trust control.

Judge Grosscup, of the United States Federal Court, in giving a decision in a case relating to the legitimate exchanges, said:—

They balance, like the governor of an engine, the otherwise erratic course of prices. They focus intelligence from all lands and the prospects for the whole year by bringing together minds trained to weigh such intelligence and to forecast the prospects. They tend to steady the markets more nearly to their right level than if left to chance, unhindered manipulation.

President Hadley, of Yale University, says:—

If the speculator foresees a rise, he buys wheat to-day with the hope of selling it at an advantage. If he foresees a fall, he contracts to make future delivery at to-day's prices, in the hope that he can secure the means of filling those contracts at rates low enough to leave him a profit. This is the type of transactions which form the bulk of the business on all the leading exchanges of the world. When such speculation anticipates an actual demand, it is of great service to the community. If we compare the prices of the present day with those prior to the development of speculative activity, we find that the margin between the amounts paid to producers and those charged to consumers is much narrower than it was before. Part of the difference is due to cheaper transportation, but a part is due to the action of the speculators in minimizing the effect of variations in production upon prices paid the producer. This is the effect of legitimate speculation—anticipating movements of supply and demand and taking fair risks. The difference between legitimate speculation and gambling lies neither in the subject matter nor in the form of the transaction, but in its intent and purpose. Legitimate speculation involves anticipation of the needs of the market and a power to assume risks in making contracts to meet those risks.

That the increment of the undesirable, which is found in every field of human activity in a greater or less degree, is often recognizable in speculation is a matter of common regret. But its presence is no greater in proportion to the volume of business incidental to our large production than is natural or is found in all other lines of business. Its value in the commercial distribution of farm products has perhaps never been better or more authoritatively stated than in the report to Congress by the Industrial Commission appointed by the Government to investigate commercial exchanges. This commission was comprised of five United States Senators, five Congressmen and ten private citizens. It said:—

First.—They localize industrial risks among a commercial class whose special function is to distribute surplus supplies over deficit

times and places in such a way as to lessen the uncertainty of producers and consumers.

Second.—They relieve producers and consumers from carrying a whole year's stock, enabling the farmer to convert his crop promptly into cash capital, and the latter to supply himself as his periodical needs may require without enhancing prices beyond the original rate of risks of returns of such capital investments.

Third.—Competition of speculative traders tends more than any other force to reduce profits of these agencies to a minimum per unit of commodity handled. Released from their economic functions, it is their interest to seek to reduce the risks of distribution to a minimum. By expert acquaintance with the condition that involve risks, the hazardous elements are gradually limited, if not entirely eliminated.

Any impairment of the facilities which they have provided for the rapid and economical marketing of agricultural products in the interest of buyer and seller, producer and consumer alike, and which facilities conduce more than any other agency or instrumentality to the general prosperity, would result in irreparable injury to the common commercial and industrial welfare.

J. C. F. MERRILL.

January 18, 1911.

Mr. TUCKER, of Philadelphia.—Mr. President, as a delegate from the Philadelphia Board of Trade, I want to make a suggestion in regard to this most valuable paper: that in view of the accusation that the exercise of the speculative element in commercial affairs works for the harm, if not the disorganization, of the country, I think it would be very wise if the convention should see fit to have this paper printed and presented to Congress as a report. It contains a most complete answer to every suggestion of the ill effects of what is generally known as gambling, which is not at all times, as we all know, synonymous with speculation. I only throw that out as a suggestion. I think it is a thorough answer to the attacks that have been made on proposed legislation looking to the hampering of proper business methods of the exchanges of the country.

For myself, I should like to hear some comment or expression of opinion on this subject. Perhaps Mr. ENGLAND, of Baltimore, would be willing to say a word.

The PRESIDENT.—The paper adds greatly to the importance of the proceedings of this meeting and the fact that Mr. STONE has presented such a paper is highly appreciated.

Mr. ENGLAND, of Baltimore.—I believe it would do much good if that paper could be distributed among members of Congress. A great many of them come from farming districts and they have been prejudiced, by some of the very men Mr. STONE has referred to, against these organizations. I think Mr. TUCKER's suggestion is most excellent, and that this paper will do much good toward helping the exchanges of the country to put this matter in the proper light before Congress. It is a matter that the Board ought to consider and deal with in a dignified and effective manner.

Mr. TUCKER.—Then I make the motion that the Secretary incoming shall prepare, at the earliest possible moment, in pamphlet form the address just presented in behalf of Mr. MERRILL by the Secretary of the Chicago Board of Trade, Mr. STONE.

The PRESIDENT.—This is the kind of work we are glad to do.

Mr. TUCKER's motion was agreed to.

The PRESIDENT.—The resolution presented by Mr. STONE from the Chicago Board of Trade is now before us. The Secretary will please read the resolution.

The Secretary read as follows:—

WHEREAS, The principal commercial exchanges of the United States are intimately and vitally related to the industrial and financial interests of the entire country; therefore

Resolved, That any impairment of the facilities which they have provided for the rapid and economical marketing of agricultural products in the interests of buyer and seller, producer and consumer alike, and which facilities conduce more than any other agency or instrumentality to the general prosperity, would result in irreparable injury to the common commercial and industrial welfare.

The resolution was adopted unanimously.

GROWTH OF INFLUENCE AND MEMBERSHIP OF THE NATIONAL BOARD OF TRADE.

Mr. MAXWELL, of Chicago.—Mr. President, I think my resolution was rather lost sight of.

The PRESIDENT.—Would you mind reading it again, so that it will be familiar to us all and so that we may be sure of what we are doing?

Mr. MAXWELL.—I will read it:—

Resolved, That, pending action by this body upon the final report of the committee on the extension of influence, everything possible shall be done by the officers of the Board under its present Constitution to extend its membership and influence and to promote the success of and attendance at the next annual meeting.

The resolution was adopted.

Mr. CROXTON, of Philadelphia.—Would it not be well to add the resolution offered by the Chicago Board of Trade to this paper and that both be published and sent to Congress?

The PRESIDENT.—The resolution is embodied in the paper that was read by Mr. STONE.

Secretary TUCKER.—It was read by Mr. STONE in the first part of Mr. MERRILL's address.

RIVER AND HARBOR IMPROVEMENTS.

Mr. MAXWELL, of Chicago.—I desire to offer a brief resolution:—

Resolved, That the Committee on River and Harbor Improvements be made a standing committee, and that the chairman be authorized to appoint sub-committees on the different subjects covered by the resolutions of the committee as adopted at this meeting, and that the standing committee shall report progress at the next annual meeting of this Board.

The resolution was adopted unanimously.

ADJOURNMENT.

The PRESIDENT.—Does any other gentleman desire to say anything?

The programme has been completed and I think the National Board of Trade has now finished the most successful meeting it has had for years. The attendance has been full. We must all remember that, under our Constitution and By-Laws, we cannot have a great hall full of people, because the limitation of delegates is based upon the number of members in each constituent body, and none can have more than sixteen, while many have but one or two. Therefore, if you expect a convention of the National Board of Trade to be weighty by numbers, you will be disappointed. However, I do think that the convention has been weighty by its composition and quality.

It would be difficult to assemble for general discussion of monetary matters, like the body in session yesterday, a class of men more representative and competent in the various communities than were present with us yesterday and during the three days of this convention. We may well feel proud and congratulate ourselves that such men come here to listen to our deliberations, to offer resolutions, to be with us and serve on our committees and in our councils—to do everything they can for the betterment of the affairs and conditons of this country. In recognition of that, several of the Cabinet officers have either written their thanks to me or thanked me personally, as your President, for our influence for the good of the country and have expressed their desire for the perpetuity of that influence.

A motion to adjourn, gentlemen, is now in order.

At 12.50 o'clock P. M., on motion, the National Board of Trade adjourned *sine die*.

W. R. TUCKER,
Secretary.

SPEECHES AT THE ANNUAL BANQUET.

The eighth annual banquet of the National Board of Trade was held in the Red Room of the New Willard Hotel, Wednesday evening, January 18, 1911. President Frank D. La Lanne acted as toastmaster.

The Toastmaster (Mr. LA LANNE).—Ladies and gentlemen, we had with us a few moments ago—and I am afraid he has gone—one of the most earnest advocates for the increase of the commerce of the United States, Mr. John Barrett, of the South American Republics Bureau. He asked me to read a letter which he sent me to-day, in which every delegate to the National Board of Trade will be deeply interested. He desires me to say that this letter extends an invitation to every chamber of commerce in the United States and every board of trade to send to this conference, which he speaks of in this letter, delegates to attend its sessions. Before we start our regular order of proceedings, I will take the liberty to read this letter:—

MY DEAR MR. LA LANNE:—

I have the honor to extend to you, and through you to all the organizations, and to the individual membership of the National Board of Trade, an invitation to attend and participate in a Pan-American commercial conference, which will be held under the auspices of the Pan-American Union, commonly known as the Bureau of American Republics, during the week of February 13-18, 1911, in the large auditorium of the new building of the Union. This conference is called for the specific purpose of developing an interest in and of making a special study of conditions in Pan-American trade exchange, and of preparing to make practical use of the Panama Canal.

The opening session, Monday afternoon, February 13, will be addressed by President Taft, Secretary Knox, and several Latin American ambassadors and ministers. The working days of the conference will be from Tuesday, the 14th, till Saturday, the 18th. Over 200 commercial organizations and representative manufacturing and shipping firms in different parts of the country have already accepted the invitation to send delegates.

Respectfully yours,

JOHN BARRETT.

Mr. Barrett desires me to say that all delegates that the boards of trade and chambers of commerce may send will be very welcome indeed, that you will learn something there which will help the commerce of America and add to the importance of our trade and that many of the delegates will be asked to address the conferences during their sessions. [Applause.]

And now, gentlemen of the National Board of Trade, recognizing and feeling how close is the relationship between our mother country, Great Britain, and the United States, it was my pleasant duty to invite the representative of Great Britain, the Right Honorable James Bryce, Ambassador from that great country, to address us to-night. I know you all feel as if England was your other home, and I know you will be greatly pleased to have Mr. Bryce speak to us. I now have the great pleasure of presenting to you the Ambassador of Great Britain. [Applause and cheers.]

RESPONSE OF AMBASSADOR BRYCE.

Mr. President, ladies and gentlemen, I thank you very much for your cordial reception, and I thank you, Mr. President, for the kind and graceful words which you have spoken regarding my country. I like above all things to hear any representative of America speak of it as the old country or the old home, and I hope I am right in feeling that there is a sense in which it is the old home, even to those whose ancestors did not come from Great Britain, but from some other part of Europe, as is the case, of course, with a considerable part of the population of the United States to-day; because, whether your ancestors lived, worked, suffered and died and were buried there or not, what you all owe to Great Britain is that which was done and wrought by the ancestors of those of you who did come from Great Britain in centuries past, when they produced the literature which is the common possession of our race and when they laid the foundation of those free institutions which have not only made the greatness and prosperity of Britain and her

colonies and of the United States, but which have become a model to all free countries all over the world. [Applause.] Those are things which all the people of the United States owe to Great Britain in past times, and in that sense, even if she was not the home of the ancestors of some of you, she was the home of those ideas and institutions and the birthplace of that literature which have been and are so much to all of us and will be to those who come after us, here and in England. [Applause.]

Mr. President and gentlemen, I have been particularly happy in finding myself able at this time to accept the kind invitation you sent me to be with you at your annual gathering. It was not my good fortune to be here when you asked me before. I am particularly happy to be with you this evening because I, myself, too, have once been connected with a board of trade. I was for some time in England, now sixteen years ago, president of her Board of Trade, which is a Government department, charged with a great variety of functions. I do not know if I can remember them all. First of all, there is the control of the whole railway system of Great Britain and Ireland, which is a pretty large business by itself. Then there is shipping, then there are labor questions, conciliations, labor legislation. Then there are copyrights and patents, weights and measures, the regulation of tramways and of the supply of electricity and all questions relating to statistics, tariffs, the control of all legislation relating to incorporated companies, their liquidation and the whole law of bankruptcy. Those are a few of the many functions with which the Board of Trade is charged, and you will easily believe that its president does not become himself personally conversant with all those subjects. He has to rely, as the head of every Government department has to rely, very largely upon the staff of his office. At the time I was president of the Board of Trade we had a staff of, I think, between three and four hundred clerks, and many of those, the heads of different departments, were men of great ability and experience. My presidency of the Board of Trade did not indeed teach me to be a man of business, as you are, but it did give me some

notions about boards of trade, and it gave me a very strong sense of the immense importance of trade, not only to a country, but to the manner and organization and mechanism and machinery of whole world. Trade, that is, the interchange of commodities, has become the centre of the material life of the world, and that to a far greater extent in our own time than it ever was before.

Now, what is trade but exchange, and what is international trade except the application, as between countries and peoples, of the principles of barter and exchange, based on the division of labor which we apply among ourselves. And that system, the existence of this exchange inside a country, between the different people who produce different things, between different countries which themselves produce different products and are the home of different manufactures and industries, is the basis of the industrial system of the whole world; and not only of its industrial system, but of what may be called the unity of the world as a great community, formed of minor communities. There is a famous passage in an ancient poet, which I will not weary you by repeating—I dare say it is familiar to many of your minds—in which he speaks of the way in which nature has assigned different products to different places. He says the hills of Asia Minor sends us their spices and Ethiopia sends us her incense and her myrrh and India sends us her ivory, and iron we get from the rugged shores of the Euxine Sea, and so on, pursuing thus those different commodities and products which, to the small ancient world, represented many of the important articles that filled their marts, and with which the process of exchange went on. That process has become to us far more vast and now there is no part of the world which does not exchange its products with every other part. It is upon that fact that the welfare and progress of the world are very largely based.

For my part, if I may venture so say so, I think it would be a great misfortune if every country produced everything, if every country could be self-contained and could produce for itself, whether by the resources of its soil or by the arms and science of its people, all the commod-

ities that it required; because then it would live isolated, as China and Japan formerly did, stagnating in its own isolation and cut off from that intercourse with and stimulation by the other countries of the world, which is the very life blood of progress. [Applause.] I cannot see why a country should wish to be entirely dependent upon its own products any more than why science should wish to confine itself to a particular country, instead of availing itself of the discoveries that are made everywhere else, or any more than the readers and authors of a country should think only of their own people, the authors producing only for the readers of that country and the readers reading nothing except what their own authors produce. How much poorer our literature would be, how much more barren our science would be if we had not that intercourse with other minds in other countries which has enabled literature and science to advance! And so it is not going too far to say that we cannot have too much trade. The more trade the better.

I am reminded of a trivial anecdote which some of you may have heard before, but it is so short that I will not fear to repeat it, of an old darkey who, being told of some occasion on which a number of negro boys had greatly over-eaten, because, said the narrator, there were too many water-melons, interposed by saying, "Dar cain't be too much water million; dar may have been too few boys." [Laughter.] And trade is one of those things so good that you cannot have too much of it, and I think we ought to rejoice at the immense expansion of international trade (as well as National trade) which we see going on over the world.

It is an obsolete and indeed an ignorant notion to suppose that what is for the good of one country is for the ill of another. On the contrary, the interests of all the countries are bound up together, and it is the interest of the United States and of England and of Germany that every one of these other great countries, commercial competitors though they are, should be great and prosperous. [Applause.] They are all better customers of one another, they are all better able to take one another's goods when they are themselves rich and prosperous, and I rejoice to

think that riches and prosperity are not confined to my country nor to your country, but have spread over the world, and I believe that in their stead is to be found also one of the strongest guarantees for general peace. [Applause.]

Every country has a strong and growing interest in peace with every other country if it feels that the cessation of trade with that country would mean material injury to itself. Therefore I believe that the existence of an active and increasing trade between the great countries of the world is a very secure pledge of peace. Happily, as between your country and mine, there is no need for those pledges, nor even of those pledges which are a part of the numerous treaties which we have ratified from time to time. We believe that peace, unity, concord and friendship between the United States and Great Britain are based upon even deeper foundations than mutual interests or than any solemnity which treaties do give. [Applause.] But I do say, speaking of Europe and speaking of the rest of the world, that the existence of an active and increasing commerce is a very considerable additional security for peace between the great nations of the earth. It is also a great advantage, even in minor cases.

I remember an interesting illustration of what the prospect of trade may do. Fifteen or twenty years ago we had very great difficulties in Northeastern Africa, where we had been obliged to go in, to endeavor to recover some territories which had belonged to Egypt which had been over-spread by savage barbarism, and there we came in contact with certain marauding tribes, very bold, courageous fellows, who loved fighting and who for the want of anything else to do, because their soil was scanty and their rainfall still more scanty, were almost driven to fight to make a living. We could not do anything with them, because we found that they enjoyed and loved fighting. At last it occurred to one sensible administrator on the frontier that if he could induce them to trade, if he could show them that they would get good prices for whatever articles they brought into our lines, he might do more than he was doing by fighting. Accordingly, that policy was adopted, and as soon as we suc-

ceeded in establishing a trade with those people, because they had some things to barter with us and because the prices which we gave for those things were well worth their having, and the articles that they could get from us were the very articles they desired, they very soon became peaceful and we were saved all the expense and vexation of those endless frontier wars and trade became far better, and the result was mutual good. [Applause.]

It is a great satisfaction to me, gentlemen, to think that you here have realized the great advantages that are to be obtained by the extension in every direction of international trade; and just before I sit down, I would mention two things that occur to me in that connection.

One is the policy which your President has very wisely adopted and in which I venture to believe he has the general sentiment of the nation with him, in endeavoring to have some arrangements with the Dominion of Canada under which there will be more trade between the two countries. [Applause.] I do not yet know exactly what point the negotiations on this subject have reached, but I do know that both the Canadian negotiators and His Majesty's Government on the one hand and your negotiators on the other, have been animated by the most friendly and cordial spirit, and that they both speak of the attitude of the other party to the negotiations in terms of cordial appreciation; and under those circumstances I sincerely hope that the issue may be such as will give pleasure to us all. [Applause.]

The other point to which I refer is the magnificent work that you are doing on the Isthmus of Panama. [Applause.] You are there opening a new channel for the trade of the world, such as never has been opened or could have been opened anywhere else. You are overcoming nature by making a great waterway nearly sixty miles long, between two oceans, through which great commerce will no doubt before long begin to find its way, and the trade routes and trade lines of the whole earth will be modified and reorganized to take advantage of it. That is a work whose magnitude no one can appreciate until he has seen it. I have no doubt many of you gentlemen, and especially those members of Con-

gress, whom I have the pleasure of seeing beside me, have already seen it. I saw it four months ago and I was astonished at the magnitude of the scale on which that work is being carried on and the extraordinary skill and energy which are being applied to its completion. [Applause.] It is not too much to say that the whole world admires and appreciates what you are doing in Panama and looks for great and noble results from it. [Applause.]

The TOASTMASTER.—Ladies and gentlemen, it is a splendid sign of the times when we hear the Ambassador of Great Britain enunciate in such happy words the good friendship existing between our two great countries, and his reference to the treaty which the two countries have entered into lately. While an American may think that the Ambassador's country made the better bargain than we made in the recent treaty, we are glad that his country got such a splendid bargain, and there is no envy in the American heart that Great Britain got the better of us.

Ambassador Bryce.—That remains to be proved.

The TOASTMASTER.—But we bow to the inevitable, because when we agree to make a treaty and we get the worst of it we abide by the consequences.

Now, gentlemen, the National Board of Trade, always alive to the interests of the country, have thought it our province to call, in the interest of proper monetary legislation, a Monetary Day and with the approval of Senator Aldrich and Mr. Vreeland, the National Board of Trade concluded that the right way was to get the business men interested in what would be the best monetary legislation for our country. We did not wish to dictate to the Monetary Commission, but we felt that we could be a strong auxiliary to the magnificent work which that Commission has been doing. Consequently, the National Board of Trade, in correspondence with nearly two hundred of the most important chambers of commerce and boards of trade in the United States, and after numerous conferences with Senator Aldrich, Mr. Vreeland and others, concluded that if our chambers of commerce would carefully examine the very valuable publications

of the Monetary Commission, which showed the workings of the various monetary systems of the world, the business men of America, through their boards of trade, would become better conversant with what the country needs and with what other countries are doing. Consequently, a year ago the National Board of Trade entered into this educational campaign with very great success.

The result is that of our 200 most prominent chambers of commerce and boards of trade in the United States, 125 of them have at our request accepted the publications of the Monetary Commission. Many of them have appointed as delegates leading men familiar with finance and deeply interested in currency reform. Both Senator Aldrich and Representative Vreeland have expressed their appreciation of what you have done. Here at our monetary conference today we have had representatives from the Pacific coast, from the Atlantic coast and from the Gulf of Mexico and the Great Lakes, and all of them have had a very active part in framing a resolution which I believe represents the concrete opinion of the business interests of our country.

I am very glad to say, gentlemen of the National Board of Trade, that the resolutions, adopted after the most careful consideration, coincided almost identically with the suggestions made by Senator Aldrich in the pamphlet which he issued yesterday.

It was my pleasure last week to call upon our Secretary of the Treasury. I explained to him what we were doing, and he has kindly consented to come and dine with us to-night. Now, ladies and gentlemen, I have the great pleasure of presenting to you the Honorable Franklin MacVeagh, Secretary of the Treasury. [Applause.]

RESPONSE OF SECRETARY MACVEAGH.

Mr. Chairman, ladies and gentlemen, I do not know what your resolutions were and, of course, I cannot speak to them. I am sure the National Board of Trade will not think it necessary—if you are like other great volunteer organizations—to tell you that you are a very important body. [Laughter and applause.] I have, however, known

of your importance and have been impressed by it for a long time. You will perhaps not think it very clever to have made this discovery, but I should like to mention the circumstances for what it may be worth. At any rate, it is a pleasant subject.

You discovered very early—among the earliest—the essential value of volunteer organizations, such as you instituted. You are in a sense a pioneer in a development of non-partisan oversight of government that has had great influence upon the progress of the nation. [Applause.] Mere governmental instrumentalities, whether in Federal, State or city affairs, have been immensely benefited, stimulated and made progressive by the organized help of the unofficial people. In no other part of the world has this added estate been so effective as in America, and of course nowhere has it been so extraordinarily instituted and developed. Your organization runs a long way back, and has not only created its own efficiency, but has been to a considerable degree an example and a leader.

In such a wide association as you have it is quite possible—and you have found it so—to legitimately look after the interests of the private pursuits of your membership, while you conserved and promoted the general good. And having long ago arrived at public recognition and approval, I commend you confidently to your own admiration. [Laughter and applause.]

Your latest conspicuous public interest I especially and highly approve. Nothing could be more appropriate than the particular interest of the National Board of Trade in the rehabilitation of our banking and currency system and in the distinguished work and methods of the Monetary Commission. Your dedication of one of the three days of your present annual meeting to this great matter, in connection with your previous well-directed efforts to broaden and intensify public interest in the immense issues involved, is a striking evidence of the enlightenment and public spirit of your organization.

Your example, too, will have an excellent effect. The great subject of monetary reform ought to have the widest

attention and the keenest public interest. The importance of the forthcoming report of the Monetary Commission should be more and more widely and keenly felt and understood. And the strikingly intellectual and scientific character of the procedure and work of that commission needs to be understood as you are seeking to make it understood; for no investigation of our monetary system has ever before approached that of the Monetary Commission in thoroughness and breadth of view. We do not know what the report of that commission will be—though its general features are probably foretold in the very elaborate and interesting suggestions made public yesterday by the commission's distinguished Chairman, whose absence from his place on this occasion because of ill health causes us all the keenest regret. [Applause.] Senator Aldrich has performed a remarkable service by his statement. He has brought the great subject out of its vagueness and from its waiting condition into concrete form and to the threshold of action. And I am clear as to this, that the commission and its Chairman have entitled themselves, by the large spirit and the broad methods with which they have approached the subject, to a cordial and friendly consideration of whatever it may either tentatively or finally propose.

Notwithstanding the interest already aroused, it is still true that it is not generally understood how universally the people of this country are involved in our monetary question. It is not a question for bankers alone—very far from it. It is not a question for the widespread business communities alone. Far more of us are involved. And not even the larger and more comprehensive body of depositors, little and large, in all kinds of banks embraces all who are concerned. The truth is that there is no man, woman or child in the whole nation—rich or poor, poor or poorer—who is not involved in the question of whether or not we shall have a proper and adequate and safe monetary system. [Applause.]

The universality of the banking and currency situation in this country is easily overlooked. It is called a banking matter, and it is very natural to limit its operations to the

banks and the financial community. But, of course, the banks are only the instruments of the whole people to perform certain functions in its economic life. And if the matter be analyzed, it will be found that the bankers probably suffer less from our present monetary system than any other kind of people. In the extreme stress of financial weather it has been the habit—and this habit has been acquiesced in by the public—for the solvent banks to largely furl their sails, slow down and ride out the storm, while the insolvent banks—those who were really exhausted before the storm began—go to pieces at the cost not of the other banks, but of the public who have trusted them. And the real consequences—the dire consequences—of these periods of financial storm and stress are shown in the prostration of business—sometimes for long subsequent periods—in the reduction of incomes and wages and in the spread of discomfort and suffering to every limit and confine of society. [Applause.] A disaster so universal as this is borne with comparative ease by the very rich and the rich; and increases its relative burden and suffering as it penetrates to the people of small and smaller means. [Applause.] No trouble in our National life spreads itself so universally throughout society as the troubles which grow out of our defective monetary system. Epidemics of disease have a limited field. Great fires and earthquakes are confined to localities. Bad sanitation and practically all the other ills of our National life are “cribbed, cabined and confined,” compared to the universal and lasting reach of a panic. No district is too remote, no family is too insignificant, to be reached by the tide of such a disaster. [Applause.]

This reform of our banking and currency system, therefore, has a profound universal interest. It is a popular necessity. It, of course, is not the only reform that is demanded by the interests of all the people. It is not the only reform where the existing burden is relatively heavier upon the poor than it is upon the rich. But there is none where the situation is more universal or where the interests involved are actually more popular. This, I think, it is right to assume, is not generally understood. And I think

it is equally right to assume that it is important—exceedingly important—that it should be fully understood. It is necessary that we should be conscious of the great breadth of the interests involved in order that this great issue should have its right place before the Government and before the people. The question is not academic, as so many of us have been thinking it to be. It is practical to the very limit. It is not limited to the interests of business men. It concerns everybody's everyday life.

Of course, we can get on with the present conditions and wait—paying the great wasteful cost whenever it is demanded. We have gotten on and have waited—paying the cost. We have, notwithstanding our laws, a wonderful body of banks, both National and State; and taken all in all, a wonderfully able body of bankers. The ample, inherent financial strength of our banks, their broadcast distribution and consequent localized touch with business, and the long experience our bankers have had with the shortcomings of our system, have given us and can continue to give us not only reasonably satisfactory banking facilities for our business, but those increasing mitigations of panics which have been so welcome.

But why should we wait? Why should we, for instance, hold on to panics? [Laughter.] Why should we cultivate or breed panics. Why should we invite them as though they were blessings? Why shouldn't we revolt at their barbarities, their cruelties and their wanton havoc?

Of course we are not obliged to have panics. We can abolish them if we like. It is a mere matter of National choice. Other nations have abolished them and so we can. We used to have yellow fever, but now we look with pity upon nations which still have yellow fever. [Applause.] And I fancy those nations which used to have panics and stopped having them, as we stopped having yellow fever, look with pity on us. At any rate, they ought to. [Applause.]

We have a financial system unscientific and ill-advised. Everybody knows, for instance, that one of the fundamentals of a financial system is a provision for reserves—for re-

serves that are trustworthy, adequate and systematic. And everybody knows we have no reserves in any proper sense of the term. Reserves are something for use indeed, but they are kept for partial and infrequent use. And their existence itself prevents their excessive use. Our so-called reserves are largely in everyday use. Those that are left intact are just enough to lead to violent sequestration by the banks and by the public at the first intimation of a panic. A large part of the reserves required by law is handed on from bank to bank for the sake of 2 per cent. interest, and is forced into use at the reserve centres in order to get back their cost. The rest of the reserves are scattered throughout all the banks in small, or comparatively small, amounts. They have no cohesion; and this condition results for the most part at a time of pressure in mere panicky sequestration.

You cannot have reserves that are effective without some form of centralization. The authority over these reserves, or a sufficient part of them, must reside in a centralized form. Our reserves must be released from the present forces which drive a great part of them into everyday use and which scare the life out of another great part at the first sign that they may be used. Reserves must be permitted to sufficiently aggregate themselves. They must be permitted to sufficiently place themselves in an organized form, and under an authority and power constituted for their common handling and control. [Applause.]

At present the forces in our system which destroy the chief value of our reserves incidentally create and stimulate an abnormal speculative demand for money that adds only excesses to the nation's financial operations. But when we shall have organized available reserves, and the nation knows it, we shall both materially legitimize our speculation and remove a large part of the occasion for panics.

One of our greatest needs is a currency that will move up and down with the legitimate demands of business. But that everybody has in mind as a fundamental matter, and I shall not stop over it.

Our present system attempts no control of the market interest rate. There is no power or authority for this, as there is in all the other countries of great finance. The harmful custom of paying the uniform rate of 2 per cent. for bank balances throughout all the fluctuating demands for money cannot be reached. The rate ought to go up and down according to the legitimate demands for money, but the banks are unable to influence this.

As I have intimated, there is no organized authority to properly and wholesomely influence the financial markets. There is no organization of our financial world. We have about 25,000 banking units, each community carrying on its business as nearly independently as possible, and certainly with independent judgment and independent selfishness when the stress comes. In some of the cities clearing houses have come to the rescue of our unorganized system and have supplied organizations as far as that was possible to them. What we need as a *sine qua non*, therefore, is the general organization of our banking system; and that organization cannot be brought about without some recognized central authority.

As is well known, there are in the vaults of the Government great quantities of gold—nearly \$1,000,000,000—held, dollar for dollar, as a reserve, or, as we call it, a trust fund for the redemption of circulating notes. This great gold fund could just as well as not be the basis for several times its amount of circulating notes. We have plenty of money in the country suitable to become a reserve for all purposes, but we do not adequately use it.

I will speak of only one other of the things we should reform. Our National banks are not permitted to do international banking, though the commercial and industrial interests of the country are greatly demanding that they should. Our National banks are rigidly kept at home. And at home they are rigidly restricted and confined to a single function of banking. They are supervised, examined and controlled by the Government. The Government knows more about them than any other Government has known about its banks since the world began. They are, therefore, entitled

to the confidence of the Government and to the kindness of the Government. But we restrict and restrain them most harshly—and to the large detriment of the commerce and the citizens of the nation.

The upshot of the whole matter is that until lately we have not been conscious of the deficiencies of our banking and currency system—and we are not yet conscious of the universality of the interests involved. The country is prosperous. Very few of the banks ever fail. The vast majority of the banks are wonderfully well managed, substantial and successful. And so we have waited.

As to the panics, we have been taking them as they have come along as visitations of nature, just as we take a destructive storm or earthquake, feeling helpless to avoid them. We have felt fated and were becoming stoical. Happily, we are entering a new epoch. Happily we are learning that we need not have panics or any other of the drawbacks of our monetary system any more than we need have other misfortunes that come from our own neglect or our own ignorance. Science has been avoiding for us many of the plagues of humanity that used to seem unavoidable; and we are awakening to the fact that our financial scourges are just as curable as those others which knowledge and science are already abolishing. [Applause.]

The TOASTMASTER.—Gentlemen of the National Board of Trade, we are all deeply indebted to the Secretary of the Treasury for his able speech and for the information he has given us. It is not right to criticise anybody's speech, but when the Ambassador of Great Britain speaks of our numerous treaties and the Secretary of the Treasury intimates something about the self-constituted chambers of commerce of the United States and their self-adulation, we may take a lesson from that and think that it is a hint that we should not adulate ourselves so much; but it is an instructive speech and we are deeply indebted to Secretary MacVeagh.

Senator Aldrich had promised me that he would be here and we looked with a great deal of pleasure and with high

hopes that the Chairman of the Monetary Commission would be with us. I have received a very kind note from him, saying that he has sent a better man. Taking that as it was written, I have the great honor of presenting to you Hon. John W. Weeks, of Massachusetts, Chairman of the Committee on the Post Office and Post Roads in the House of Representatives. [Applause.]

RESPONSE OF MR. WEEKS.

Mr. President, ladies and gentlemen, I know how you all feel when you go to a play and find that one of the principal characters has been replaced by an understudy, and I know how your indignation would be increased if you should find that the substitute had not even rehearsed the part. I have come here at the last moment to say a word in Senator Aldrich's place, but for me to speak for him would be literally impossible. I regret as much as you do that he is not here to represent himself. Those who are associated with him in public life, and especially those who are serving with him on the Monetary Commission, have the highest opinion of his ability and his capacity for leadership. A man who, at his time of life, takes up a subject not new to him, changes, to some extent, at least, after careful consideration, his point of view, and makes as able a statement relating to it as the one recently published, pointing out needed changes and the manner in which those changes should be made, simply demonstrates to everyone that he is not only an able, but a very broad-minded man. I wish for him, as I know you do, a speedy recovery and an early return to lead in the completion of this great work. [Applause.] If anything I say relating to this subject seems to you wise and sound, it should be credited to Senator Aldrich. If it does not appeal to you in that way, I am alone responsible for it.

I find myself further embarrassed, too, in saying anything on this subject, because I have heard from so many of you, since I came here to-night, of the admirable paper read by the Assistant Secretary of the Treasury, Mr. Andrew, this

forenoon, and the carefully prepared and elaborate statement made by Mr. Vreeland this afternoon. [Applause.] It would seem as if they had covered all the ground, yet I want to add that I have seldom heard a better statement on a financial or any other topic than that just made by the Secretary of the Treasury. [Applause.] I facetiously asked Professor Andrew if he had anything to do with the preparation of it, and he said he wished to Heaven he had had. [Applause and laughter.] I suggested that, because when I prepare a speech, which I have not done for this occasion, my secretary usually writes it for me. [Laughter.]

When I came to Congress a few years ago I was assigned to the Committee on Banking and Currency. In those days there was a good deal of prejudice against that committee, and a feeling that anybody who devoted much time to currency or banking matters was something of a crank. I recall, soon after I entered Congress, making a few remarks on a monetary subject and when I had finished an old and experienced member came over to me and said, "I noted a ray of intelligence in what you just said on that financial question, and, as an old and experienced member, I want to advise you to get off the Committee on Banking and Currency. There are none but cranks on it." The probabilities are that this condition was what the person had in mind who called the Banking and Currency Committee (composed as it is of seventeen members) the Sixteen to One Committee. He called it that because he said if one member had an idea, the other sixteen were sure to be against it. [Laughter.]

But we are seeing better days for this subject, and better prospects are ahead of us. Mr. Warburg, who sits on my left, had at that time written his admirable monograph on the central bank. Nobody paid much attention to it then, but we are doing so now. Most men had not considered the monetary or currency question from a scientific standpoint. We were getting along like those people who do not shingle their houses because it does not rain, and cannot shingle them when it does. We were taking things as they came. Everybody knew we had outgrown our banking sys-

tem. Everybody knew we needed a better currency system—that is, everybody who thought about it at all—but nobody took the lead to bring about the change. In fact, you cannot make great changes in public policies without a public sentiment in favor of them. Those things must be developed as you go along. The result was that we needed that kind of a panic to which the Secretary has referred, the panic of 1907, to bring us to our senses, because it illustrated better than any previous panic our weakness in time of trouble. Every nation in the world had more or less financial trouble at that time. Everybody had over-expanded; everybody had been extravagant; everybody had a panic of some kind. And I want to say right here, that no matter what we do with our banking or monetary system, we will have panics again, because people will over-speculate, merchants will over-expand, manufacturers will accumulate large stocks of unmarketable goods and too much money will go into fixtures.

All of these things are producers of panics which will come in some form; but what we can avoid is a currency panic, which is the aftermath of the other panics; and what we can absolutely prevent is the failure and the breaking down of our domestic exchange system. That is what happened in 1907. We issued clearing house certificates, as we had done under similar conditions half a dozen times before. This action eased the situation in the centres, but, as you will recollect, it absolutely broke down domestic exchange. If, for instance, one of you merchants sold a bill of goods in Texas and received a Texas check to pay for it, your bank sent that check back for collection. The Texas bank replied that it would give your bank credit for the check until it could buy New York or Chicago exchange. The result was that your bank had a credit in a Texas bank, which was of no use to it whatever. You had to have your money and you went, therefore, to your bank and really forced it to make you a loan, doubling its obligations, responsibilities and distress. That condition paralyzed business after the panic of 1907, and that is exactly what we can avoid if we will take suitable action.

I am not one of those who, without limit, condemn our National banking system. In the past it has served its purposes wonderfully well in most respects; it was a necessity fifty years ago and it took careful consideration and great ability to formulate and develop the system. It supplanted a currency system in this country which was perfectly hopeless, a currency which was fluctuating from day to day, which had different values in different parts of the country, and it has furnished a currency which has been not only good in this country, but good all over the world ever since. In addition, it made a market for our Government bonds at a time when we were confronted by serious difficulties in that regard, and, while I have not undertaken to go into exact figures—and indeed it is impossible to do so—I believe that the banks, having made a market for Government bonds from Civil War days down to this time, have saved the Government as much in interest as our total National debt is to-day, or very nearly \$1,000,000,000. We save, for instance, on the bonds which the banks are now holding for circulation purposes, substantially 1 per cent., which is \$7,000,000 a year. The rate of interest on these bonds is too low, and that is one of the embarrassing questions of to-day, as Secretary MacVeagh could tell you—this low rate of interest on bonds which we have outstanding, and the necessity, if we are going to sell bonds in future, of their carrying a higher rate of interest. The whole question is intricate and involved, and one of the best points in Senator Aldrich's plan is that it takes the 2 per cent. bonds, which are almost entirely in the hands of the banks, off their hands and places them where they will not embarrass the Government's financial policies, this being done in a way which seems to me to show great ingenuity.

When we came back to Congress in 1907 everybody expected we were going to do something with the currency, and we tried to do it. There were many men of many minds at that time, but after many months of work we finally brought forth the Aldrich-Vreeland Bill, and it is worthy of note that the names which that bill bore are the names of the Chairman and the Vice-Chairman of the

Monetary Commission. It is not claimed that that bill is a perfect measure. It is an unscientific measure—a cumbersome measure, in a way—and yet I want to say that I believe if we had a panic to-day, that under its provisions there could be supplied to the business men of this country sufficient currency to carry them over any unusual conditions, and so prevent the currency distress which existed in 1907. It is a good anchor to windward; when it was prepared, knowing that it was not final legislation, and ought not to be, we provided for the Monetary Commission, to consist of nine members of the Senate and nine members of the House. It is worth while for you to note, as an indication of the changes going on in public life, that of those eighteen men there will be but two Senators and but six members of the House, or eight of the eighteen members, in Congress after the fourth of next March. That is a distinct handicap in effecting the passage of any monetary legislation, because the men who are going out of Congress had a following and an influence which would have been of the greatest value on the floor of the Senate and House when any proposed legislation is considered.

There has been some criticism because the Monetary Commission has not acted more quickly. Possibly there may have been a little reason for this criticism, but, on the other hand, there were good reasons for not acting hastily. It is considering a most important subject, which cannot be treated in a haphazard way.

The authorization for the commission was not made until May, 1908, two and one-half years ago. We were just then entering on a great political campaign. One of the principal things to keep out of this whole question is politics, so it was not only impractical, but impossible to take it up until after the election. Then we had the extra session of Congress to revise the tariff the next summer. The members of this commission hold responsible places in Congress, and their entire time is taken up while Congress is in session. Then there was the long session of Congress last winter, extending into the summer, followed by the political campaign last fall. As will be seen, these periods

have substantially covered the life of the commission. Yet, during this time, we have prepared the best library on this subject which has been prepared since the beginning of time; the preparation of this library was not only necessary on our own account, but it will have a great influence in developing and determining public sentiment on this question.

The steps taken by the commission have been as follows: First, to have prepared and put in suitable form the best up-to-date information; second, for the individual members of the commission to thoroughly study this information; third, to make some recommendation to the public based on and as a result of this study. It now becomes your duty, and the duty of the men whom you represent, to take up this question and to criticise, favorably or otherwise, the plan which Senator Aldrich has proposed. Any amount of criticism which is logical and reasonable will be welcomed, for I believe I can say for Senator Aldrich that, while it represents his views at this time, he expects that such changes will be made in it as public discussion demonstrates to be well advised.

I do not know that I entirely agree with every part of it myself. I certainly prefer to see the suggestions which he has made regarding the establishment of three kinds of National banks (that is, commercial banks, trust companies and savings banks) merged into one bank, having the functions of all three, but with separate departments, and run so that the business of each department will be distinct from the others. The main features of the report, however, are entirely in accord with my own judgment, and I believe will satisfy the ideas of any students of this question who are honestly studying it and basing their conclusions on what is for the best interests of our country, always taking into consideration our peculiar conditions, the habits of our people and the prejudices and methods which have been the development in banking business since the organization of this Government.

I assume that as soon as this session of Congress is over the commission will take up this subject deliberately and will carefully consider every suggestion made which pertains

to it, but I do not expect the commission will change, except perhaps in detail, the main features of Senator Aldrich's report, for I do not believe one man in a thousand will deny the proposition that it is desirable to have a central place for our reserves. That has been one of our greatest difficulties whenever we have had panic conditions. I do not believe one man in a thousand will deny the necessity for a better and more elastic currency. Every business man will agree with the proposition that provision should be made against the breaking down of our domestic exchange. Most men who have given the subject any thought will agree that we ought to have better banking methods and that the class of paper which is in general circulation should be such that it will not become a dead asset the minute it passes into the hands of a bank. As far as possible all bills should be based on commercial transactions, and I believe Mr. Warburg, to whom I have referred once before, is one of the first to point out the necessity for this kind of a bill in this country. When we have a class of bills which can be used not only locally, but between countries, as are German, French and English bills, we shall be able, to a great extent, to prevent the shipments of gold and will also prevent the necessity which now exists that banks shall loan their surplus money in Wall street on demand, taking collateral as security—not that these loans are not essentially good, but they create conditions which may be breeders of financial troubles. Such bills as the ones to which I have referred would greatly increase the stability of bank credits, the stability of trade, and would be a safeguard to merchants, as well as to the banks themselves.

Most people will approve of Senator Aldrich's suggested taking from the banks the 2 per cent. bonds which are now the basis of our circulation and eliminating that kind of circulation in this country. I think some would even go further, and at this time provide for the retirement of greenbacks. In any case, however, a large majority, in fact, nearly all, of the propositions advanced in Senator Aldrich's report appeal to me, and I believe they will appeal to you

and to all business men when they have been given careful consideration. What we need is not only a report which is sound and which would quite likely give us these better conditions, but we need to get it onto the statute books—to transfer it into legislation. Before this can be done we must face all kinds of prejudices and criticisms. These must be met and overcome by the soundness of our arguments, but we cannot do this in Congress without the help of the men who are behind the business interests of this country. In other words, a public sentiment must be aroused which will compel action, and compel action along sound lines. There should be no politics whatever in the solution of this question. It should be decided as would be any great business question with which you, as individuals, have to deal, and when those who are responsible for the final report which will be made have behind them such a sentiment and such men, we will get legislation. [Applause.]

My own hope is that next winter the Monetary commission, at the convening of Congress, will be ready to present its finished report and that an attempt will be made to get legislation in the Sixty-second Congress; but do not forget that we need every ounce of help you can give us, and for that reason we are justified in asking that you give this subject your most careful consideration. A correct solution of this question will affect favorably all classes of people; but you are organized, and organized effort will be most useful in bringing about final action. [Applause.]

The TOASTMASTER.—Gentlemen of the National Board of Trade, I know we all feel very much indebted to the Honorable Mr Weeks for his splendid speech.

As he was speaking I recalled the days of my youth, when I was a boy in a dry goods store. I remember that merchants came up from Texas and from North Carolina and Virginia and Ohio and we knew that each merchant who came in would pay us in the currency of his own town, and the head of the firm would say to me, "My boy, go down to Drexel, because John Jones of North Carolina is here, and let us find out what Drexel will take North Carolina exchange

at; for John Jones, from North Carolina, is going to buy a bill of goods from us; he will pay us in North Carolina notes, and we will stick him for whatever Drexel expects to charge us for exchange." I would come back and say, "It is 8 per cent. to-day," and so the salesman who had charge of Jones would put that 8 per cent. on the cost of the dry goods. [Laughter.]

Well, that was a cumbersome way of doing business. Our present method is a great advance over that; and we business men are back of the National Monetary Commission, every man of us, and we are going to back up that commission as best we can and teach the country that a central reserve does not mean an obnoxious central bank. The correct solution of this problem, gentlemen, is only a matter of education.

Now we are going on to another scheme. The National Board of Trade has for many years advocated the proposition that the best kind of men, as our advance agents, should be sent to be consuls to all the countries of the world. In 1906 it was the pleasure of the President of the National Board of Trade to be invited to call a Consular Reform Convention in your city. Five hundred of the leading merchants of our land came to that convention and Secretary Root and other distinguished gentlemen, appreciating the work we were doing in that line, came and addressed us. Since that day there has been a marked improvement all over the world in the character of the consuls from our country, and it has been my pleasure in traveling abroad a great deal, to make some report on the consuls representing our country. I am very free to say that the improvement has been so noticeable that the American consul abroad to-day is usually an active, ambitious, determined young agent for American commerce. [Applause.] The old political hack whom our Congressmen used to recommend as a recompense for political work in some Congressional districts, is no longer sent. They do not dare any longer to send him, because you gentlemen of commerce have insisted that your Congressman must not send a political hack across the sea to get rid of him and pay his political

debts, but he must send a real, active business man to be an advance agent for our commerce.

And that proves to my mind the influence, the importance and the respect in which this great National Board of Trade is held in the Departments in Washington, and that our Congressmen have a proper regard for our wishes. After all, these Congressmen, whom I respect very much, are our servants and they are honest and intelligent men, who desire to do good service for the country; but it is very well for the business men of the country to continue their interest and let them know what they think. We intend they shall send consuls abroad in whose work we can all have confidence and who will promote the interests of American trade.

Following up our work in that line, and with due respect and apologies if I have hurt the feelings of any of the distinguished legislators who are present, I have the pleasure of presenting to you Mr. Wilbur J. Carr, Director of the Consular Service. [Applause.]

RESPONSE OF MR. CARR.

Mr. President, it is particularly agreeable to me to have an opportunity now to say something about the consular service, for I shall always remember with great pleasure that throughout the long struggle for the improvement in that service the banner of the National Board of Trade was always flying in the front rank. Its members were among the first to volunteer their aid, and they stood by their colors until the fight was won. [Applause.]

For the sake of brevity, your President has been good enough to permit me to confine my remarks to a statement of facts. As you know, the law which was passed in 1906 graded and classified the consulates, abolished all personal fees and perquisites of officers, provided a corps of inspectors to inspect every office once in two years, and announced the principle that henceforth our commercial interests abroad should be in the hands of American citizens. The law made no provision for ascertaining the qualifications

of candidates for appointment or for regulating the manner in which they should be appointed. In these circumstances the country was especially fortunate in having a President so favorable to improvement and so great and instructive a mind in the State Department as that of Elihu Root. A few days before the law became effective, the President promulgated a regulation requiring, among other things, that all vacancies in the higher grades of the service should be filled by promotion upon the basis of efficiency, that candidates for appointment to the lower grades should pass an examination to determine their fitness for the service, and that neither in the examination nor appointment should the political affiliations of the candidate be considered.

Following the promulgation of these regulations, the inspectors were to set to work inspecting the offices and reporting upon them. Examinations were held to establish a list of eligibles for appointment to the lower grades. The record of every officer in the service was examined, and if it was found that an officer had not been efficient or had been guilty of serious misconduct, he was promptly recalled and his place was filled by the promotion of an efficient officer, or, if the post was in one of the lower grades, by the appointment of a candidate who had passed the prescribed examination.

Less than five years have elapsed since the enactment of the law and the promulgation of the executive regulations. Nearly every office has been inspected at least twice. A number of offices found to be of no actual or potential value have been abolished or transferred to other points, where new developments or the establishment of new transportation lines had made consulates necessary; more uniform methods have been installed; better offices have been obtained; more modern equipment supplied, and, wherever practical, American clerks and vice-consuls have been provided. No effort has been spared, consistent with available means, to make each office more fitly represent our country.

Examinations have been held from time to time under the new regulations. The total number of candidates examined, so far, is 360, and of that number 160 have ob-

tained the required percentage and have been certified as eligible for appointment. Thirty-one per cent. of the classified positions in the service to-day are filled by men who were appointed after examination under the new regulations. Thirty-seven States and Territories are represented by these men, and, in view of the requirement of the regulation that the political affiliations of candidates be not considered, it may be proper to mention that of the consuls appointed, thirty-two were from the Northern States and thirty-one from the Southern States. [Applause.]

The results achieved by the last administration in improving the consular service have been followed during the present administration by another important step forward. About a year ago, upon the recommendation of Secretary Knox, the President issued an order applying to the diplomatic service the same principles of the civil service law and regulations that had proved so beneficial to the consular service. Mr. Knox went still further and reorganized the Department of State, adding to his staff such a number of commercial and other specialists as would enable the Department, with the aid of the foreign service, to render a larger measure of assistance to the commercial interests of the country.

To perfect and make permanent the existing machinery there is now needed a law which will write into our National statutes the essential principles of the executive regulations and definitely and for all time lay down the rule that the qualifications of candidates for appointment to the foreign service shall invariably be determined by impartial examination, regardless of their political affiliations, that original appointments shall be made only to the lower grades and that promotion and retention in the service shall be based alone upon efficiency and usefulness. [Applause.]

In his recent message to Congress, the President submitted perhaps the strongest recommendation on this subject that any President has made, and there is at present pending in Congress a bill, presented within the last few days, designed to accomplish the desired results, not only in the consular service, but in the diplomatic service as well. The

enactment of this or a similar bill is a fundamental necessity to the future usefulness and efficiency of the foreign service. With a law of this kind and with the support and co-operation of our industrial and commercial interests throughout the country, still greater improvement in the character and efficiency of the representation of this country abroad is certain.

It may be asked just how the diplomatic and consular service is being utilized to promote and safeguard our foreign trade. One method is by publishing the reports of the officers, which is done daily by the Department of Commerce and Labor in a document called "Consular and Trade Reports." You are all familiar with it. Last year diplomatic and consular officers contributed to that publication over 9,000 reports, nearly twenty-five reports a day, filled with commercial, financial and agricultural data in regard to nearly every country on the globe. Constant efforts are being made to improve the quality of these reports and to make them, as far as practicable, set forth facts in an accurate, concise and business-like manner.

Just as our military experts regard it as inexpedient to make public their plans of operation, so our commercial experts in the Department of Commerce and Labor regard it as unwise that a certain class of commercial information should be distributed broadcast through the consular reports. There has been, therefore, inaugurated a confidential service through which a special class of information supplied by our consuls is communicated directly to those of our people who are known to be in a position to make practical use of it. One hundred and nineteen confidential bulletins were issued last year, covering subjects ranging all the way from a steam roller in Canada to irrigation dams in England and battleships in the Argentine. [Applause.] A special branch of this work is the publication daily of a list of foreign opportunities for American manufacturers and exporters. There were printed last year over 1,500 items, each of which represented an opportunity for the sale of products of our factories. This feature of the work of consuls is essentially practical, since it is designed to

put the foreign purchaser into direct touch with the American producer.

With the aid of our consuls the Bureau of Manufactures was able to compile a classified collection of several hundred thousand selected names of business firms in foreign countries importing or desiring to import merchandise. The use which American business houses seeking direct connection with firms abroad have made of this compilation has been so great that the Bureau of Manufactures has been obliged to publish the collection of names. The volume is now in press and should prove invaluable to those of our people who are engaged in foreign trade.

Every business house in this country may file its trade catalogue in our consulates abroad for the benefit of foreign purchasers who may desire to consult it, and in a number of the larger consulates commercial bureaus have been established for the purpose of displaying catalogues and other commercial data, with the object of bringing the American manufacturer in direct contact with possible purchasers.

The direct responses which consular officers make to commercial inquiries addressed to them by American business men are an important and practical part of their work. Last year nearly 14,000 such letters were forwarded by our consuls to the Department of State. They covered nearly every phase of the subject of marketing our products abroad, and much of the information in them was abstracted and published for the benefit of others in need of similar data.

Recently the Department inaugurated a plan of occasionally bringing home consuls from districts in which especially favorable trade conditions exist and detailing them to visit such manufacturing or other sections of this country as might benefit from first-hand information. This is serviceable also in enabling the consul to study the requirements and business methods of our manufacturers, and thus return to his post better fitted for effective work in future. As an evidence of the interest which consuls take in learning more about our industries at first hand, I may say that many of them occupy their time when in this country on

leave of absence in visiting trade organizations and manufacturing establishments at their own expense.

I cannot undertake to describe to you the useful work of both diplomatic and consular officers in aiding the Secretary of State in negotiations having for their object the clearing away of administrative and other obstacles to the admission of our products to other countries and obtaining for them equal opportunity in the markets of the world, nor is it proper for me to speak of their activities in connection with the larger subjects of international discussion which may have no bearing upon our commerce of to-morrow or of next year, but which may be vital to us later.

No adequate effort has been made to ascertain the value of the business resulting from the information distributed through consular reports. Many of our consuls are too modest to report their achievements in this direction, and our manufacturers are too busy to do so. There is no doubt that thousands of dollars' worth of our products annually go abroad as the direct result of the reports or other efforts of diplomatic and consular officers, knowledge of which rarely reaches the Department. In a conversation with a manufacturer some time ago, I was told that he had sold \$6,000 worth of agricultural machinery in South Africa upon information received direct from a consul; another sold 100 miles of wire fencing; a contract for \$500,000 bridge was the result of another report; one consul found a market in remote Siberia for sixteen carloads of machinery, and another in Turkey for machinery valued at upwards of \$100,000. Only a few days ago a letter was received from a firm in Michigan commending the work of our consuls and reporting that through information supplied by them the firm had sold twenty carloads of manufactured products and that its foreign trade had trebled within a year.

A Congressional Committee usually wants to know results in dollars and cents. I wish it were practicable so to place a valuation upon all the work of the foreign service for the past year. As it is, I can only refer you to the few instances mentioned, and others recently published, in which the Secretary of State, with the aid of the foreign service,

brought about the results measurable in terms of money—contracts for battleships, railway equipment and materials, giving employment to our factories for many months and opportunities for investment for American capital abroad—aggregating in all over \$120,000,000. [Applause.] If the results mentioned represented the entire work of the foreign service during the year, I am sure you will agree that its claim to encouragement and support would have been amply justified, and that the principle would have been demonstrated that a trained and efficient diplomatic and consular service wisely administered, and supported by the active co-operation of our commercial interests, is of vital importance to the future commercial welfare of this country. [Applause.]

The TOASTMASTER.—Gentlemen, I am sure we are all deeply grateful to Mr. Carr for his interesting address and we thank him very much.

The National Board of Trade, among its other activities, was one of the first organizations in this country to take a deep interest in the improvement of our rivers and harbors, because it recognizes the fact that the improvement of those rivers and harbors in the way that such work is done in Europe, where every river is canalized or improved, and where the heavy merchandise of those countries is shipped by water at the least possible rate, should some time be the system in use in our own country, so that our heavy merchandise may be shipped in the same way. No one has taken a deeper interest in the improvement of our waterways and been more persistent in his work than our dear friend, Mr. J. Hampton Moore, member of the House of Representatives from the State of Pennsylvania, whom I now have the pleasure of presenting to you. [Applause.]

RESPONSE OF HON. J. HAMPTON MOORE.

Mr. President, ladies and gentlemen, you have been listening to speeches so long that it is almost a cruelty to inflict another one upon you at this late hour, but if you were a member of Congress, as I happen to be, you would be-

come so used and accustomed to listening to speeches that you would be content to remain until morning if you knew a few more Congressmen were yet to be heard. [Laughter.]

I have had some misgivings this evening, since the first speech, with regard to the aims and purposes of the National Board of Trade. Its President is a gentleman whose public service, given voluntarily from his private station, is to be highly commended; but in his reflections upon the part that members of Congress have taken with regard to the consular service in the past, he has seemed to indicate a sort of fellow feeling or sympathy for the suggestions made by the honorable Ambassador of Great Britain, when he said he was once the President of a board of trade that had seemed to control the executive, administrative and legislative affairs of England. [Laughter.] I assume that your President is looking forward to the future and that he has been somewhat inspired by the example of the Board of Trade of Great Britain, which does take an active, practical interest in public affairs. Just what the Secretary of the Treasury meant when he commended my distinguished friend, the President of the Board of Trade, and the members of this distinguished body "to their own admiration," I dare not say. [Laughter.] It may have been in line with the thought that animated President LA LANNE when he applauded so vigorously the suggestions of the Ambassador with regard to the possibilities of a Board of Trade in the United States, meeting at the Capital, where it might advise the National legislators exactly what they should do. [Applause and laughter.]

Most of the addresses this evening have pertained to the disposition we should make of our money. The Secretary of the Treasury, in his most learned and forceful address, has commented somewhat upon the effect of panics and has referred slightly to the come-and-go process of panics as they affect us in the United States. Let me commend you to an experience that came to me in my humble capacity as an agitator for better waterways in this country, at a small seaport on the coast just after the panic of 1907. We had landed in that little town and were obliged to remain

over night. We met the townspeople. They complained that the channel leading into their town was not sufficient to permit them to entertain a National, let alone an international, commerce. They intimated that they were glad to see members of Congress, and that they welcomed them.

I said to one of them, a representative man of the town, "How is business in this city of yours?" "Well," said he, "there ain't much change in this town from one end of the year to the other."

I said, "How has your trade been? I see you have one or two stores, one or two lawyers, one or two doctors and one or two preachers. You have a place where you deposit your money. How has trade been?" He said, "There ain't much change in this town from one end of the year to the other."

I said, "Weren't you struck by the panic of 1907?" He said, "No, it didn't strike us in this town. We heard there was a panic, but it had no effect on us."

I said, "Why, how do you account for that? We were all affected in other parts of the country; even in the remotest hamlet, the effects of the panic of 1907 were felt." He said, "Mr. Congressman, I will explain it to you. Most of the money that comes into this town comes in from the life-saving men, the men who work upon the engineers' boats, the man who runs the rural delivery wagon and the collector of customs at this port, and all of them get paid in Government warrants, which come regularly every month. There ain't been no change in our financial condition, and while the Government holds out there ain't likely to be." [Laughter.]

Now there is the condition that I commend to the American Monetary Commission, regarding which there has been much concern, as to the recommendations it will make. Senator Aldrich is not with us this evening, very much to our regret, because his great ability has been felt in the halls of Congress and throughout this nation, but there is left to us here to-night the Vice-Chairman of the commission, the distinguished gentleman who spoke so eloquently and forcefully this afternoon (Mr. Vreeland), and his colleague, Mr.

Weeks, of Massachusetts, both of whom may profit by this illustration of the manner in which panics do not affect certain localities in this country. [Laughter.]

You have been discussing the means of distributing the wealth of the land. I would like to discuss the means of creating the wealth of the land. I believe that you cannot distribute much unless you create something. There are two or three departments of the Government that represent the creation of wealth. One of them is the great Department of Agriculture, which knocked at the door of Congress for a hundred years before it was recognized with a seat at the Cabinet table. Yet it is one of the greatest producing factors in the United States. [Applause.] Commerce and Labor, representing trade and industry, knocked at the door of Congress for more than a hundred years in order that they might obtain recognition for another great wealth producing factor of the Government, and in those days when the President of your Board of Trade was a mere child, carrying back the 8 per cent. message from Drexel to his employer, no recognition was given to these important elements in our country's progress and welfare. Not until 1903 were we given a seat at the Cabinet table of the nation for this important arm of progress, the development of commerce and industry.

I would like to-night to discuss waterways, to which I am assigned, but that is a long and a deep subject. [Laughter.] And at this hour it might not be as entertaining as it ought to be. But transportation is a factor essential to the production, as it is to the distribution, of our National wealth. Transportation has become restricted. It has come to be so restricted in certain sections of the country that relief for the productive and creative forces of the country is absolutely necessary, else those sections of the country must retrograde and go into the realm of back numbers. [Applause.]

I am an ardent advocate of improved channels along the long neglected Atlantic seaboard. Recently I came up the Mississippi and I observed that in the little town of Jackson, Miss., there were six railroads carrying the commerce

of that region back and forth. Then I recalled that in the city of Bangor, Me., where people are supposed to be intelligent and industrious and mentally and industrially active, they have but one railroad upon which to come and go, and an insufficient waterway with which to get to the sea.

I proceeded further, to the city of St. Louis, and observed that there were eighteen railroads, controlled by different companies, upon which the people and their commerce come and go. Yet in the great city of Boston, which boasts of its intelligence, culture and its industry, there is but one system of railroads upon which the products of that great centre can be moved to the markets. [Applause.] Boston boasts that it is an industrial hub; and New England boasts that it produces more shoes than any other section of the country, yet I found in St. Louis, in the Middle West, remote from proud old New England, that they are producing more shoes to-day than any town or city in New England is producing. They have more transportation and they are displaying more energy than the people of the older communities along the Atlantic seaboard have any notion of.

I will not proceed further along this line, except to say that there are some men, even in many of your boards of trade and chambers of commerce, who have a notion that it is wrong to insist that, if you have only one way to get out with the product of your mill, you shall be given the right to get a second way out, even if you can produce twice as much in your mill with two means of transportation as you could produce with only one. To those gentlemen who still think back in the days when FRANK D. LA LANNE was a boy running to Drexels to find out what the exchange was upon the notes that came up from North Carolina, I desire to say that every new ship that comes into an American river and every new barge that passes along an American canal carries more freight and more business for a railroad to carry, and will compel it in spite of itself to build new sidings, new tracks, new rails, new cars, and thus contribute to the upbuilding of our common country [Applause.]

The Panama Canal has been referred to in complimentary terms by that great man who represents Great Britain in this country. It has been regarded with pride by American citizens who have thought only of the American pluck and genius entering into its construction, enabling this proud country to boast that it has done something which other nations undertook and failed to do. [Applause.] I place a higher estimate upon the importance of the Panama Canal than the mere vainglory of an American achievement. The completion of the Panama Canal is a broader proposition than can be celebrated in New Orleans or in San Francisco, to be forgotten, possibly, when the doors of the exposition close. The completion of the Panama Canal is an American tribute to the world's commerce.

But are we prepared for the world's commerce in our boards of trade and in the legislation thus far enacted creating departments and bureaus in the Government? Is the consular service, which has been so ably referred to here to-night, prepared to cope with the great question of developing throughout the world the power and the genius of the American industrialist, manufacturer and agriculturist, to create and distribute our share of the wealth of the world?

I want to see a broader conception of the Panama Canal than a mere spectacular celebration for any city. I want to see the completion of the Panama Canal recognized by the Government of the United States by some great, lasting memorial here in the Capital City, dedicated to the promotion of commerce and industry in the United States and throughout the world. [Applause.] Have you a single institution under public auspices in this great country of 90,000,000 of people where you can go to see with your own eyes the samples that are necessary for you to trade with foreign competitors? Is there a place established officially by the Government where you may secure all the geographical and commercial information necessary for you to understand the trade and commerce regulations, rates, tariffs, banking conditions and methods of exchange that are in use where you would like to do business? Think it over, whether we ought not to bring here to the city of Washington, as an international

memorial, the finest tribute we could pay to our own genius—a memorial that would stand as an object lesson for all ages, of the power to create and the power to trade and the power to associate and compete commercially with the best nations on earth. [Applause.]

You, as members of this National Board of Trade, know that we are scant competitors with England and with Germany in the Latin-American countries. You know that the Japanese are gradually entering the west coast of South America. You know how small we are as competitors in the great Orient. Have we gone about this business of expanding American trade and making American genius known in a practical way? I submit to you as a practical suggestion, which you as representatives of trade interests may well consider, the establishment, in celebration of the completion of this world's work under American auspices, of a memorial that will be dedicated to commerce and industry and that will afford for the youth of this country an opportunity for all time to come. [Applause.]

The TOASTMASTER.—Now, gentlemen, we had a most instructive and enjoyable evening. It has been a great pleasure to have had the ladies with us, and I know that they feel that they enjoy these discussions as much as we do. It is now in order to bid you an affectionate good-by for one year only.

Resolutions adopted by the National Board of Trade at its Forty-first Annual Meeting:—

NATIONAL BANKRUPTCY ACT.

Your committee to whom were referred suggestions from the Italian Chamber of Commerce, of New York, in regard to sundry matters pertaining to the present National Bankruptcy Law, respectfully recommend to the National Bankruptcy Committee of the House of Representatives that better protection to the honest debtor and also the creditor be made, and that inequalities in the present law be so remedied that the discharge of dishonest and fraudulent bankrupts, who have designedly concealed their assets, be strictly guarded against, as your committee is of opinion that the present law is too liberal in this feature and is also accelerated by the Bulk Sales Law, the law being too favorable at present to this class.

NATIONAL PURE FOOD AND DRUG ACT.

Your committee assigned to the consideration of subject LXV, National Pure Food and Drug Act, respectfully reports that it considers the National act a great step forward in establishing new standards for the protection of the business community and the public.

Experience, however, has shown defects in the language of the act, and the system of administration has produced too much litigation, too many prosecutions, and some conflicting decisions. At the same time the permission to label goods in special ways, such as compound, often defeats the purpose of the act.

Your committee recommends that the Congress should in the near future reconstruct this act, profiting by experience already gained, and hopes for a model law that can be copied by the various States, so as to secure uniformity.

The business interests of the country have co-operated to a great extent in assisting the officers of the National Government charged with enforcing this act, and future legislation should be so constructed that while preventing imitations being offered for sale, it will not hamper the legitimate trade of the country.

TRIBUTE TO THE MEMORY OF EGISTO MARIANI.

WHEREAS, We learned with regret of the death of Mr. Egisto Mariani, who was a conspicuous participant in the National Board of

.Trade, rendering his valuable co-operation to the interests of this organization; and

WHEREAS, Mr. Mariani, who was the vice-president of the Italian Chamber of Commerce at New York, was an upright business man and an honor to America, his adopted country;

Resolved, That the National Board of Trade offers its condolence and sympathy for the loss sustained by his family and the Chamber of Commerce; and

Resolved further, That a copy of these resolutions be sent to his wife and to the president of the Italian Chamber of Commerce of New York.

TRIBUTE TO THE MEMORY OF HENRY R. WHITMORE.

WHEREAS, Mr. Henry R. Whitmore, of St. Louis, whose death occurred on the 15th instant, was for some years and until failing health intervened, one of the active members of this Board, and was, more especially, deeply interested in the advancement of the National irrigation and forestry policy so successfully advocated by this Board;

Resolved, That the National Board of Trade offers its sympathy to the family of Mr. Whitmore in their bereavement; and it is further

Resolved, That the National Board of Trade feels that this record should be spread upon the minutes and a copy of same ordered sent to his family.

TRIBUTE TO THE MEMORY OF HON. JOEL COOK.

The Philadelphia Board of Trade, by the death of Hon. Joel Cook, lost an able, conscientious President, who for many years guided its welfare and interest in a manner that carried not only its highest appreciation, but in addition commendation for his untiring and unselfish work in its behalf.

His public services always for and in the interest of his State and country, and reflected the greatest credit upon him as a man and citizen. His active co-operation and advice in the National Board of Trade merited and has their warm approval. The Philadelphia Board of Trade feel that this modest record of his career should be engraven upon the records of the National Board of Trade at its first meeting since his death, and that a copy should be sent to his family by the Secretary of the National Board of Trade.

TRIBUTE TO THE MEMORY OF HON. W. W. FOULKROD.

WHEREAS, Since the last meeting of the National Board of Trade we have lost by death one of our most valued members, the Hon. W.

W. Foulkrod, member of Congress from the City of Philadelphia, and at one time president of the Philadelphia Chamber of Commerce; and

WHEREAS, Mr. Foulkrod took an active part in the developments and the work of the National Board of Trade; it is therefore

Resolved, That the National Board of Trade offers its sympathy to his family and to the Philadelphia Chamber of Commerce, and it is further

Resolved, That the National Board of Trade feels that this record should be spread upon the minutes and a copy of same ordered sent to his family.

DIPLOMATIC AND CONSULAR SERVICE.

The importance and value to our commercial interests of an efficient and well-equipped Consular Department is yearly becoming more and more pronounced, and we strongly urge upon Congress the necessity of passing such additional legislation as will keep this service at the highest possible standard of usefulness.

We consider political influence should be entirely eliminated in securing the necessary employees for this branch of Government work.

We endorse the recommendations passed last year advocating the opening of special classes in our leading universities for the careful education of young men desiring to enter the diplomatic and consular service, the graduates to be safeguarded by receiving a diploma entitling them to register their names at the State Department, and the Government securing, by examination, a fair percentage of the men required for the services named from such list; names to be taken in the order of registration.

Resolved, That the National Board of Trade approve the general principles for the improvement of the diplomatic and consular service as stated in H. R. Bill 31,170.

FORESTRY, IRRIGATION AND CONSERVATION OF NATURAL RESOURCES.

Resolved, That the National Board of Trade reaffirms its appeal to the patriotic sentiment of all the people in all the States to use their personal influence and efforts on behalf of all National and State legislation that will help conserve the natural resources, forests, waterways, soil, coal, phosphate, oil and natural gas, so that they shall be administered as a sacred trust for all the people, but in a manner to insure their full present utilization with a maximum of efficiency and a minimum of waste.

Resolved, That the title to the several million acres of public petroleum and phosphate lands should remain in the National Gov-

ernment and that their development should be encouraged under a leasing system which should allow for the fullest possible utilization of these natural resources commensurate with a minimum waste in production.

Resolved, That title to the coal lands of Alaska should remain in the National Government and that their development under a leasing system, with short-term leases, should be encouraged in every way possible by extension of the most liberal terms to operators, both large and small, to insure the development of transportation which will supply the Territory itself with cheap fuel and also the West Coast of the United States.

Resolved, That title to the coal rights of the coal lands of the United States should remain in the National Government and that their coal development should proceed under a leasing system with short-term leases. Congress is urged to enact appropriate legislation.

Resolved, That the fine showing made by the Reclamation Service since the passage of the National Irrigation Law in 1902 whereby water, heretofore wasted, has been made available for 900,000 acres and 14,000 farm homes have been created from the desert, is deserving of high commendation, and further

Resolved, That the work of the Geological Survey in classifying and valuing the public coal lands, thereby securing to the irrigation fund a largely increased return for these lands as well as the other work of this bureau and of the administration in conservatively administering the public domain and investigating its mineral resources, meets with the hearty approbation of the National Board of Trade.

Resolved, That the National Board of Trade takes cognizance of this splendid and heroic work done by the men of the Forest Service, as well as those of many States in fighting forest fires during the past season, and urges upon Congress and upon State Legislatures adequate appropriations to provide for future protection of our forests. We commend the excellent work done in the establishment of National and State forest nurseries and in forest planting and urge their rapid extension.

The preservation of the great forested mountain watersheds of the United States and the reforestation of denuded areas are vital to the maintenance of our inland waterways, not only to insure transportation, but to preserve and perpetuate the water powers upon which millions of dollars in manufacturing enterprises now depend, therefore be it

Resolved, That the National Board of Trade heartily commends the policy of creating National forests as a general practice and

specifically urges upon Congress the speedy passage of bill H. R. 11,798, known as the Week's Forestry Bill, creating a National forest in the Appalachian and White Mountain forest areas.

Resolved, That inasmuch as the development of great water storage and power plants tend to conserve our coal resources, regulate floods and advance forestry, and that inasmuch as many such properties in the West come under Federal control by reason of portions of their canals or transmission lines crossing Government lands, Congress is urged to adopt a broad and liberal policy with reference to their regulation. It is further

Resolved, That where water powers occur on Government land the title thereto should remain in the Federal Government, but that laws and regulations should provide for the greatest possible development of this non-expendable resource, insuring maximum efficiency and minimum waste, and with full consideration for the rights of the users of the power.

Resolved, That the collection of Government revenues under all regulations or leases, incident to coal land development, water-power development and phosphate and oil development, should be incidental only and subordinate to the protection of the people's interest.

FEDERAL INSPECTION OF GRAIN.

WHEREAS, There has been again introduced in Congress a bill (S. 121) providing for Federal inspection of grain under the National Government; and

WHEREAS, The passage of any measure seeking to control or change the present method of grain inspection conducted by the commercial exchanges can only result in injury to the grain trade of this country, which has been developed by those having the greatest interest in it; therefore be it

Resolved, That the National Board of Trade in reaffirming its previous action in this connection is unalterably opposed to Federal inspection of grain, believing it will be detrimental to every interest identified with the American grain trade, and will tend to advance the business of foreign grain-producing countries, which are seeking every advantage to increase their grain trade by the displacement of American products in the markets of the world.

THE RELATIONS OF COMMERCIAL EXCHANGES TO THE MARKETING OF AGRICULTURAL PRODUCTS.

WHEREAS, The principal commercial exchanges of the United States are intimately and vitally related to the industrial and financial interests of the entire country; therefore

Resolved, That any impairment of the facilities which they have provided for the rapid and economical marketing of agricultural products in the interest of buyer and seller, producer and consumer alike, and which facilities conduce more than any other agency or instrumentality to the general prosperity, would result in irreparable injury to the common commercial and industrial welfare.

EXTENSION OF INFLUENCE OF THE NATIONAL BOARD OF TRADE.

Resolved, That pending action by this body upon the final report of the Committee on the Extension of Influence, everything possible shall be done by the officers of the Board under its present constitution to extend its membership and influence and to promote the success of and attendance at the next annual meeting.

INTERNATIONAL COURT OF ARBITRAL JUSTICE.

Resolved, That the National Board of Trade reaffirms its belief that the destruction of wealth and the human misery attendant upon warfare, may be greatly diminished by the extension of the method of arbitration in the settlement of disputes between nations, and further expresses the hope that the United States Government may find it expedient to initiate steps to bring about, by diplomatic negotiations, the organization of the proposed International Court of Arbitral Justice, and to secure by arrangement among the nations an effective method of enforcing the decrees of that court.

COMMERCIAL EDUCATION

Resolved, That the National Board of Trade records its gratification at the marked improvement which has taken place in general methods of commercial and industrial education.

Resolved further, That it is the sense of this Board that such instruction is desirable, not only in the higher institutions, but in public and preparatory schools, forming as it does a necessary part of the equipment of every business man.

ENCOURAGEMENT OF FOREIGN TRADE.

Resolved, That the National Board of Trade restates its belief that the foreign trade is to be one of the most important factors in the future prosperity of the United States, and calls for every encouragement in principle and in detail, which Congress can devise.

COURT OF PATENT APPEALS.

Resolved, That the following memorial be executed by the President and Secretary and transmitted to Congress:—

To the Senators and Representatives of the United States in Congress assembled:—

The National Board of Trade is made up of a large number of commercial and manufacturing associations and bodies from all parts of the United States which are organized for the general benefit in matters of public concern and not for private purposes. It respectfully presents this memorial to Congress.

The National Board of Trade, its members and all individuals engaged in business throughout the United States are deeply concerned in the passage of the pending bill (H. R. 14,622 and Senate 4,982) to establish a United States Court of Patent Appeals. The business interests of the entire country are vitally affected by the administration of the patent law, and the uncertainty and confusion which inevitably result in that branch of jurisprudence from the divided jurisdiction vested in nine independent United States Circuit Courts of Appeals, are a serious loss and injury to the whole community.

Therefore, your memorialist asks of Congress speedy consideration of said bill and its enactment as law.

Presented in pursuance of a vote of the National Board of Trade at its annual meeting at Washington, D. C., January 17, 1911.

AMERICAN MERCHANT MARINE.

The National Board of Trade believes that our greatest commercial question involving the interest of the entire country is the recreation of the American Merchant Marine, and it deplores that no action has been taken by Congress.

The carrying trade of the United States is practically monopolized by aliens who have established their lines from its ports to all parts of the world.

The Board advocates that proper encouragement be given to creating an American-built steam and sail tonnage so necessary to the extension and protection of the commercial growth of the country.

An adequate merchant marine is of inestimable value in times of peace, and absolutely essential in times of war; therefore be it

Resolved, By the National Board of Trade:—

First.—That in our judgment the commercial interests of the country require prompt legislation, such as will result in the re-establishment of the American merchant marine.

Second.—That we ask of Congress not only the immediate establishment of American owned and managed mail and freight lines to our dependencies and the leading commercial countries of the world, but also proper legislation which will enable our citizens to build, operate and maintain steamers and sailing vessels on an equal footing with any other maritime power.

ONE-CENT LETTER POSTAGE.

WHEREAS, Under the wise and able management of the present Postmaster-General, the deficit in the Post Office Department seems to have been very largely decreased during the past year;

Resolved, That the National Board of Trade reaffirms its former recommendations to Congress for the immediate adoption of one-cent letter postage, and recommends the passage of H. R. Bill 28,223, introduced by Mr. Sheppard.

GOVERNMENT PRINTING OF STAMPED ENVELOPES.

WHEREAS, It is a well-known fact that the work of the Federal Post Office Department is greatly facilitated by having envelopes clearly and uniformly stamped with the address of the sender; and

WHEREAS, The United States Government now furnishes to order in lots of 500 or more, stamped envelopes bearing the return address at a price but little above that of the stamped envelopes alone, by reason of the fact that the envelopes can be stamped and the address printed all at one operation; and

WHEREAS, This practice results in a great saving and convenience to the public and is in entire accord with the clearly recognized policy of the Post Office Department to render the best and most economical service possible, and cannot be construed as unfair competition with private interests, therefore be it

Resolved, That the National Board of Trade is opposed to the passage of H. R. 3,075, known as the TouVelle Bill, forbidding the further sale by the Federal Government of stamped envelopes bearing the purchaser's return address, as a measure which is inimical to the interests of the general public.

PARCELS POST.

Resolved, That it be inexpedient to take any action regarding Parcels Post at this time.

TARIFF AND RECIPROCITY.

Resolved, That the National Board of Trade, in view of the excellent work already done by the present Tariff Board, recommends that the Board be made permanent and that it be so constituted that it will be non-partisan in its character.

Resolved, That we approve of considering individual schedules when making changes and of not considering all the items on the tariff list at one time.

Resolved, That the National Board of Trade is in favor of a treaty of reciprocity with Canada and an exchange of products on basis of equality of tariff rates, and it also is in favor of the general principle of reciprocity treaties with all nations.

RAILROAD TRANSPORTATION.

Resolved, That the National Board of Trade protests against the method of settlement of claims for loss or damage, and urges that where property is damaged or destroyed through the negligence of the carrier, the owner shall be reimbursed for the actual loss sustained at the point of delivery.

Resolved, That the National Board of Trade strongly favors the passage of H. R. Bill 17,267, known as the Stevens Bill, now before the Committee on Interstate and Foreign Commerce of the Senate of the United States, which has for its object the regulation of the issue of bills of lading in such a way as to prevent irregular methods in connection with their use, the safe conduct of the vast commerce of the country demanding a reform in the present bill of lading, which it is believed will result from the enactment of the Stevens Bill into law.

Resolved, That the National Board of Trade favors the compilation and adoption of a uniform classification of freights, subject to the approval of the Interstate Commerce Commission, both in its adoption and any changes therein.

DISCHARGE OF SEWAGE INTO RIVERS AND HARBORS.

WHEREAS, The widespread and indiscriminate discharge of crude sewage into our natural rivers and waterways is rapidly destroying one of the nation's greatest assets, "pure water," and

WHEREAS, There is now no reason why all cities and communities should not in time treat their sewage before it is discharged into rivers and waterways; therefore be it

Resolved, That the National Board of Trade repeats its protest against the filling up of our rivers and harbors by sewage, and favors the enactment of National legislation which shall place under control of the Government all interstate waterways, for the purpose of preventing their pollution by the discharge of sewage into their waters, and further recommends the appointment of a National Commission composed of men familiar with this subject, whose duty it shall be to study the question from a National standpoint and thoroughly to digest existing laws, and to report such new laws or modifications of those now existing as will secure the co-operation of the United States Government, with States, cities and communities, which are now in constant conflict with one another concerning this important question.

EXTENSION OF PIER HEAD LINES.

WHEREAS, The constantly increasing size of vessels engaged in transatlantic commerce demands more adequate dock facilities in some of our harbors, therefore be it

Resolved, That the National Board of Trade strongly urges the Board of Army Engineers to give this subject more careful and immediate attention, and where it may be at all possible and safe to permit local authorities to extend pierhead lines, making the piers of sufficient length to berth the largest steamers that may come to this country.

DESTRUCTION BY FLOODS.

WHEREAS, Danger and detriment to navigation and great destruction to life and property have been caused from time to time along the navigable streams of the whole country by reason of floods; and

WHEREAS, It has been clearly demonstrated that it is entirely possible to protect property that would otherwise be damaged and destroyed by floods and also to aid navigation by the deepening of the streams, straightening of the channels, and the construction of storage reservoirs for the purpose of preventing destruction in flood times and supplying water for navigation during the dry seasons; therefore be it

Resolved, That the National Board of Trade recommends that Congress take action towards providing means for the prevention of disastrous floods and the consequent damage and destruction caused thereby.

MUNICIPAL OWNERSHIP OF WATERWAY TERMINALS.

WHEREAS, The increase in our manufacturing, industrial and farming interests has grown to such proportions that the demand for improved waterways has become irresistible; and

WHEREAS, The various municipalities situated along these waterways cannot properly avail themselves of the advantages of transportation by water without the ownership of proper terminal facilities for all vessels engaged in such commerce; therefore be it

Resolved, That the National Board of Trade recognizes the imperative need of all municipalities capable of using the improved waterways of the country, acquiring the immediate ownership of adequate terminal facilities, whether such ownership can be secured by purchase, or shall have to be secured by condemnation proceedings, and of maintaining said terminal facilities open for the accommodation of all incoming and outgoing vessels.

RIVERS AND HARBORS IMPROVEMENTS.

WHEREAS, The tendency to advance freight rates on commodities yielding comparatively low rates of freight and the delayed delivery of such freight by rail as compared with the delivery by water, make it desirable that important inland waterways be developed expeditiously in relief of existing conditions, therefore be it

Resolved, That Congress is urged to take prompt action looking to the relief of traffic in bulky commodities.

WHEREAS, The National Board of Trade last year urged upon Congress the necessity for regular appropriations of not less than \$50,000,000 per annum for the improvement of our rivers, harbors and inland waterways, and

WHEREAS, The Chief of Engineers has recommended to the Congress now in session, the appropriation for the next fiscal year of only \$32,000,000 for such purposes; therefore be it

Resolved, That the National Board of Trade again calls the urgent attention of Congress to the necessity of making a regular annual appropriation of not less than \$50,000,000 for the improvement of rivers, harbors and inland waterways, such improvements to be made as have already been recommended by the President, not in a piecemeal and incoherent manner, but in such a manner as to make when completed a continuous system of waterways adequate to the increased demands of water borne commerce.

CONTROL AND REGULATION OF WATERWAYS.

WHEREAS, An amendment to the Rivers and Harbors Bill has been introduced into Congress by Senator Newlands, of Nevada,

recommending the appointment by the President of a Board, or Boards, with the object of bringing about the co-operation of the Engineer Corps of the Army with the other departments of Government, looking to the development, control and regulation of the rivers and waterways of the United States, as well as the protection and conservation of certain natural resources; therefore be it

Resolved, That the National Board of Trade heartily endorses the appointment of such a commission and urges the passing by Congress of this amendment.

THE BUSINESS MEN'S MONETARY CONFERENCE RESOLUTIONS.

WHEREAS, A modern financial system, which must rest upon credit supported by adequate gold reserves, can be safe and efficient only if so organized as to enable the concentration of idle cash in one reservoir and to render such cash always speedily available for all legitimate needs, thus assuring confidence; and

WHEREAS, Careful investigation and the experience of all other great nations, have demonstrated that a central bank system is the most efficient instrumentality for this purpose, providing the means for such concentration of cash and assuring the transformation into cash, whenever needed, of deposits, commercial paper and other proper forms of credit; conserving the gold resources of the nation and maintaining the same at a safe proportion to its cash obligations; and

WHEREAS, The banking system in use in the United States has proved disastrously defective, because

It scatters reserves among more than 20,000 banks, each striving in time of stress, to strengthen itself at the expense of the others;

It prevents the utilization of reserves and the mobilization of the resources in banks which are invested in commercial paper;

It substitutes stock-market loans for discounts of commercial paper, making the former the regulator of the daily supply and demand for credit;

It provides for note-issues absolutely irresponsive to business requirements, bringing about alternation of inflation and stringency;

All of which defects tend to destroy confidence and generate crises; and

WHEREAS, This convention is convinced that it is practicable to create a central bank system for the United States, free from political or sectional control, by means of which these defects can be remedied; an instrument, not of monopoly, but for strengthening, and preserving the independence of, the individual banks; an institution designed primarily for public service and not for

profit; not to compete with existing banks, but to assist all of them to serve the business communities more efficiently; now therefore, be it

Resolved, That this convention unequivocally declares in favor of the creation for the United States of a central banking organization, based upon the following general principles:—

First.—That such central organization be a corporation endowed with a large stock capital and not merely an association of banks.

Second.—That its stock capital be owned by incorporated banking institutions, whether under National or State charter, willing to assume equal duties as a basis for equal privileges.

Third.—That its administration be divided between the Government, the member-banks and the commercial classes, in a manner which will safeguard against individual, sectional or political domination.

Fourth.—That its business be limited to transactions with the Government and with the incorporated banking institutions which become stockholders, i. e., member-banks, except as provided in paragraph nine, clause b.

Fifth.—That dividends on its stock be limited to a fixed moderate return and profits in excess of such dividends, after providing for a reasonable surplus and emergency fund, be turned over to the Government.

Sixth.—That its business be conducted through branches, to be established in the banking districts into which the country shall be divided, the member-banks of the several districts constituting joint associations, and sharing in the administration of the branches.

Seventh.—That it shall, free of charge, receive and disburse all moneys of the United States Government in places where it shall have offices.

Eighth.—That it shall not allow interest on deposits.

Ninth.—That it shall have power:

(a.)—To issue circulating notes payable in gold, to be secured by gold and negotiable paper, and, if necessary, eventually to retire the present bond-secured bank notes to a limited amount by Government bonds.

(b.)—For the regulation of its gold reserve to buy and sell bullion, and to contract for loans of gold, and under proper restrictions to deal and invest in foreign bills of exchange;

(c.)—To require the member-banks to keep with it a portion of their reserves prescribed by law;

(d.)—To rediscount, only for member-banks, commercial paper under regulations prescribing the limit of amount for each member-bank, the maximum time to run, and determining the degree of

guarantee to be provided by the joint associations of member-banks of each district;

(e.)—Under careful and proper restrictions to discount approved American bank acceptances;

(f.)—To transfer funds standing to the credit of a member-bank, to the credit of any other member-bank at any of its branches.

(g.)—To buy and sell the bonds and treasury notes of the United States.

Tenth.—That the central organization is ultimately to become the sole note-issuing power.

Resolved, Furthermore that copies of this resolution be sent to the President of the United States, to the members of the National Monetary Commission and to each Senator and Representative in Congress.

Resolved, That there be appointed by the chairman of this conference a committee of seven, to organize a business men's monetary reform league that shall have its main office in Chicago with branches in the various centers of the United States, where local committees shall constitute the management. The object of this league shall be to carry on an active campaign of education and propaganda for monetary reform, on the principles, without endorsing every detail, of a reserve association with branches in the business centers of the country as outlined in Senator Aldrich's plan.

Resolved, That the delegations here present be requested to use their influence in the commercial bodies they represent to gain the active co-operation of these bodies and of their individual members in the work of the league as defined.

Resolved, That the business men's monetary reform league be requested when organized to provide for a committee on propaganda and education, and also for a committee on legislation whose duty it shall be to further monetary legislation on the principles adopted by the league.

Resolved furthermore, That the committee on organization be requested to bring about the co-operation and if possible a consolidation between this league and the National Currency League already organized about a year ago by the Merchants' Association of New York.

IMMIGRATION.

The committee to which was referred the resolution presented by the Pittsburg Chamber of Commerce relative to the need of a better distribution of immigrants now coming in at our ports, respectfully submits the following report:—

The great volume of immigration flows into the United States at Ellis Island, New York. A great majority of those who seek our shores as immigrants come with very little money, and of necessity are obliged to either remain in New York City or in close proximity thereto. The vast majority of the male immigrants coming to the United States were either farmers or engaged in farm work or common labor in Europe. In the agricultural sections of this country there is a large and growing demand for the services of just such men as these, but unless they are informed as to the opportunities which are open to them on the farms they remain in ignorance of the real facts, and are likely to become dwellers in the slums of the large cities, rather than workers in the fields of the nation. Only those who have friends in the interior willing to aid them are likely, under ordinary conditions, to go many miles away from the seaport.

On July 1, 1907, there was established in the Department of Commerce and Labor, a Division of Information, the duties of which should be to promote a beneficial distribution of aliens admitted into the United States. This Division was authorized to collect information concerning the resources, products and physical characteristics of the various States and Territories, and to present these facts to admitted aliens and to all others who might desire this information. That division aims especially to supply immigrants with information, and to direct their steps to places in the interior of this country where they may better their condition.

The division secures its information by corresponding with the representatives of the States, counties and municipalities as to the opportunities for laborers in their respective localities. An official in each county is corresponded with and requested to state where lands are available for cultivation in his county, the prices of land, its proximity to and means of transportation to the market, the kinds and number of crops, the schools and their grades, the churches—in fact, every item which a homeseeker would inquire about is sought by the division through recognized sources of authority, and this in turn is verified later.

The department at present has offices for the collection of this information at two ports only—New York and Galveston. Its operation in those cities has had the effect of paving the way for a substantial relief of the congestion in our cities.

In view of the beneficial results of the operations of these two bureaus, and of the desirability of securing a wider distribution of our immigrants, the passage of the following resolutions is recommended:—

Resolved, That the National Board of Trade commends the work done by the Immigration Bureau, through its Division of Information, in placing at the disposal of immigrants information which

enables them to obtain employment at interior points, and especially on our farms, and thus tending to prevent a further increase in the overcrowded slums of our cities; and recommends the providing by Congress of a larger appropriation to make possible the opening of branch offices of this division at the various seaports of our country; and

Resolved, That, as a means of more equitably distributing our immigrant population, and as a means of relieving the congestion of our Eastern coast cities, the National Board of Trade approves the suggestion of President Taft, that additional stations for the reception of immigrants be established at one or more South Atlantic or Gulf ports.

COMMITTEES APPOINTED AND REVISED BY THE PRESIDENT.

AMERICAN MERCHANT MARINE.

W. H. DOUGLAS, *Chairman*, New York; JOHN G. CROXTON, Philadelphia; F. L. HITCHCOCK, Scranton; ROBERT N. HARPER, Washington; JOHN S. LAWRENCE, Boston; EDWARD H. HORWOOD, Hoboken; W. B. LIVEZEY, Newport News; G. WALDO SMITH, New York; Hon. JOSEPH A. GOULDEN, New York; E. R. WOOD, Philadelphia; ROBERT RAMSAY, Baltimore; H. A. PLUMB, Milwaukee; HENRY G. DAVIS, Elkins, W. Va.

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ALBERT McCULLOUGH, Cincinnati; W. H. STEVENSON, Pittsburg; GEORGE F. STONE, Chicago; GEORGE C. STURGISS, West Virginia.

RIVERS AND HARBORS IMPROVEMENT.

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NATIONAL BANKRUPTCY ACT.

ACHILLE STARACE, *Chairman*, New York; W. T. ROLPH, Philadelphia; J. C. TAYLOR, Chester, Pa.; W. C. NIMMO, Washington.

NATIONAL PURE FOOD LAW.

MIERS BUSCH, *Chairman*, Philadelphia; ACHILLE STARACE, New York; WM. P. WILSON, Philadelphia.

GOVERNMENT INSPECTION OF GRAIN.

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IMMIGRATION.

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ADMINISTRATION OF PATENT LAWS.

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EXTENSION OF INFLUENCE OF NATIONAL BOARD OF TRADE.

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